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REPORT OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT ON ITS FIFTH SESSION

held at the Philippine International Convention Center

from 7 May to 3 June 1979

Addendum

PARTS TWO AND THREE AND ANNEXES

Editorial note: The present mimeographed version of the report and of certain annexes thereto is being circulated for the convenience of Governments and the General Assembly. The definitive version of the report and all its annexes will be printed in volume I of the Proceedings of the Conference (to be issued as a United Nations publication).

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*/ For reasons of economy and in order to expedite the circulation of the present version of the report, the text of all or part of this annex, as indicated therein, will appear only in the printed Proceedings of the Conference.

PART TWO

SUMMARY OF PROCEEDINGS

1. At the 146th (opening) meeting of the fifth session of the Conference, on Monday, 7 May 1979, the United Nations Conference on Trade and Development was addressed by Mr. Kurt Waldheim, Secretary-General of the United Nations.1/

2. For its consideration of the substantive items on its agenda, the Conference had before it the report of the Secretary-General of UNCTAD to the fifth session of the Conference, entitled "Restructuring the international economic framework" (TD/221 and Corr.1),2/ outlining the main issues before the Conference in the context of the need for structural changes in international economic relations and in the global economy. It also had before it the report of the Trade and Development Board on its tenth special session (TD/B/744), held in Geneva in March 1979, in preparation for the fifth session of the Conference. The Arusha Programme for Collective Self-Reliance and Framework for Negotiations (TD/236),3/ was presented to the Conference as constituting the position of the Group of 77 on the issues before it.

1/ The statement made by the Secretary-General of the United Nations was circulated to the Conference and will be reproduced in volume II of the Proceedings.

2/ To be reproduced in volume III of the Proceedings of the Conference.

3/ The Arusha Programme, adopted at the Fourth Ministerial Meeting of the Group of 77 held at Arusha from 12-16 February 1979, will be reproduced in annex VI, below.

I. GENERAL DEBATE

(Agenda item 7)

3. The general debate was opened by Mr. Gamani Corea, Secretary-General of UNCTAD,4/ at the 147th meeting of the Conference, on Tuesday, 8 May 1979, and was concluded at the 160th plenary meeting on 21 May 1979. In the course of the general debate, the Conference was addressed by the heads of delegation of 125 States members of the Conference; statements were also made by the executive heads or representatives of a number of regional commissions and specialized agencies of the United Nations, and by heads of departments of the United Nations Secretariat, representatives of intergovernmental bodies and observers for non-governmental organizations, and other representatives and observers.5/ During the general debate, the representatives of a number of States made statements in exercise of the right of reply.6/ At the closing stage of the general debate, the Conference heard a statement by Dr. Raúl Prebisch, first Secretary-General of UNCTAD.7/

4/ The statement made by the Secretary-General of UNCTAD was circulated to the Conference, and will be reproduced in volume II of the Proceedings.

5/ For a list of the statements made during the general debate, see annex II, below. The texts of these statements will be reproduced in volume II of the Proceedings of the Conference.

6/ The texts of these statements will be reproduced in volume II of the Proceedings.

7/ The text of this statement was circulated to the Conference, and will be reproduced in volume II of the Proceedings.

II. EVALUATION OF THE WORLD TRADE AND ECONOMIC SITUATION AND CONSIDERATION OF ISSUES, POLICIES AND APPROPRIATE MEASURES TO FACILITATE STRUCTURAL CHANGES IN THE INTERNATIONAL ECONOMY, TAKING INTO ACCOUNT THE INTER-RELATIONSHIPS OF PROBLEMS IN THE AREAS OF TRADE, DEVELOPMENT, MONEY AND FINANCE WITH A VIEW TO ATTAINING THE ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER AND BEARING IN MIND THE FURTHER EVOLUTION THAT MAY BE NEEDED IN THE RULES AND PRINCIPLES GOVERNING INTERNATIONAL ECONOMIC RELATIONS AND UNCTAD'S NECESSARY CONTRIBUTION TO A NEW INTERNATIONAL DEVELOPMENT STRATEGY FOR THE THIRD UNITED NATIONS DEVELOPMENT DECADE

(Agenda item 8)

4. For its consideration of this item, the Conference had before it two reports by the UNCTAD secretariat, entitled "Evaluation of the world trade and economic situation and consideration of issues, policies and appropriate measures to facilitate structural changes in the international economy" (TD/224 and Corr.1 and Add.1); and "Policy issues in the fields of trade, finance and money, and their relationship to structural changes at the global level" (TD/225).

5. The Conference also had before it the position of the Group of 77, as set out in the Arusha Programme (TD/236, pp. 25-29), and a document submitted by Bulgaria, Byelorussian SSR, Cuba, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, Poland, Ukrainian SSR, USSR, and Viet Nam (TD/249).

6. Agenda item 8 was referred, for consideration and report, to Negotiating Group I.8/

Action by the Conference

7. At the 171st meeting, on 3 June 1979, the Conference decided to remit item 8 of its agenda to the Trade and Development Board for further consideration.9/

8. The spokesman for Group D, speaking also on behalf of Mongolia, regretted that it had not been possible to adopt any decision of substance on agenda item 8 owing to radical differences between various groups of countries in the evaluation of the present world trade and economic situation and, above all, differences between the groups of developing countries and developed market-economy countries. The Group D countries and Mongolia wished to declare firmly once again that they had consistently favoured the adoption of a resolution which would have made a clear and unambiguous evaluation of the present world economic situation, indicating the true causes and sources of existing economic difficulties and disorders, providing, inter alia, an evaluation of principle of the role of transnational corporations, whose policy ran counter to the interests of the overwhelming majority of mankind, and outlining concrete ways and means of overcoming the difficulties which had arisen.

8/ See part three, section G, below.

9/ See part one, section A, above, Other decision (8).

This position was in full accord with the views these countries had expressed in document TD/249, which they wished to reaffirm. In the examination of agenda item 8, a great deal of time had been spent discussing the question of so-called global consultations on the interrelated economic problems of trade and development and on monetary and financial issues. It would be possible not to object to the holding of such consultations if they were to represent a further concretization of UNCTAD's already existing mandate and a fuller and more effective utilization of the existing institutional frameworks for its activity, rather than the creation of a new negotiating mechanism within the framework of the United Nations system. In this connexion, the proposed convening of a special meeting of senior experts should ensure, within a previously fixed period, the detailed examination of the subject and content of general international consultations, the methods and procedures of holding them and the practical application of the results obtained. In any case, the holding of the above-mentioned consultations, like the activities of UNCTAD on a broader level, must assist in the creation of more favourable conditions for trade and development in the interests of the countries of the world at large and not of any one group of countries.

9. He added that the question of restructuring also deserved due attention, inasmuch as the existing system of the international division of labour, and the economic relations based upon it, no longer reflected the realities of the contemporary world, slowed down the process of economic decolonization of the countries of Asia, Africa and Latin America, and by no means took the interests of the socialist countries fully into account. The question of the review of the rules and principles governing international trade could also have some practical importance, but only if such a review was carried out as part of a general process of normalization of international trade with a view to elaborating mutually acceptable recommendations taking account of the interests of all groups of countries and aimed at the elimination from world trade and economic relations of all manifestations of discrimination, diktat and inequality. The Group D countries and Mongolia would be guided by these basic views in the subsequent discussion of agenda item 8.

10. The spokesman for Group B, speaking on behalf of the States members of Group B other than Turkey regretted that it had not been possible in Negotiating Group I to achieve agreement owing to the limited time available to cast differing conceptual approaches together in the same mould and the difficulty in deciding how to deal with certain key issues relating to trade and development. Beyond the negotiations as such, however, problems remained. The world economic situation, of which Group B had given in its view a balanced picture in the draft resolution it had submitted in Negotiating Group I, was far from satisfactory and was having negative repercussions on the growth possibilities of the developing countries. The world was an interdependent one in which the various economic problems were interrelated. It was also undergoing a dynamic process of structural adjustment which must be facilitated in the common interest - and on that point quite broad agreement had been reached within Negotiating Group I. This de facto unity of purpose must therefore be given tangible form in improvements to international co-operation machinery, in a world marked by increasing interdependence in the fields of trade, monetary and financial relations, commodities, agriculture, energy and the transfer of resources and of technology. For co-operation to be effective, the problems must first be identified, information must be exchanged and the important issues discussed. The idea of comprehensive consultations must therefore not be abandoned, quite the contrary. In the view of Group B, the Board, in

considering item 8, should actively continue studying the problems involved, having regard to the views expressed at the Conference. It was Group B's belief that, within the framework of the Board and in the other appropriate forums of the United Nations system, discussion and consultation could and must be continued on the entire range of problems concerning the future of the world economy, and more specifically the development of developing countries.

11. The spokesman for the Group of 77 said his Group also regretted that it had not been possible to achieve a consensus text on item 8, which the Group of 77 regarded as one of the most important elements in the negotiations at the Conference. The Group of 77 considered that structural change was the essential theme of the Conference, but by structural change it meant shifts in patterns of production, consumption and trade but not the kind of shift that would result from the free interplay of market forces. Structural change should be the result of a common endeavour at restructuring the institutional framework through conscious and concerted action by the members of the United Nations. As a result of the failure of developed countries to control their chronic balance-of-payments disequilibria, inflation, unemployment and protectionism - and these countries had referred to protectionist pressures but not to the protectionist measures which had been recognized by the competent international organizations as being detrimental to developing countries - the structural adjustments of the developed countries had been passed on to a certain extent to developing countries. These were issues which the Group of 77 would have wished to see addressed in a consensus text, as they felt it was necessary to make clear what kind of interdependence that existed between the issues of trade, development, money and finance, and between short-term and long-term policies. They had also considered that new rules were required to govern international trade and related economic problems that would be responsive to the new realities of the world, as the third world should not continue to be considered as an exception to a general rule. UNCTAD had been created in order to symbolize the preoccupation of the world community regarding the problem of development and of the widening gap between developed and developing countries. And yet, during the Conference, there had seemed to be a calling into question of the developmental dimension in the North/South dialogue, as well as a tendency to consider relations between North and South as being symmetrical, leading to approaches whereby all countries were to be called upon on the same basis to combat the same economic ills of unemployment, inflation and slow growth, rather than to act in order to narrow the widening income gap between developed and developing countries. That would lead to a new situation in which the problems of development encountered by third world countries would once again, as they had before the creation of UNCTAD, become de jure an exception to the rule although de facto that was in fact the rule. Furthermore, the Group of 77 had gained the impression that the policies of some developed countries were shifting away from the consensus achieved at the seventh special session of the General Assembly, and that this shift was tending to accelerate. For example, the developed countries had not agreed to recognize the substantial deterioration of the terms of trade of the developing countries, on the grounds that the actual concept of terms of trade was not a reliable concept. All these issues should have found expression in the preambular part of a consensus text.

12. Turning to what the Group of 77 would have liked to have seen included in the operative part of the consensus text, he said that, in spite of the fact that several resolutions adopted in UNCTAD, and in particular Board resolution 144 (XVI), had recognized the interdependence of the problems of trade, development, money, finance and the international monetary system, and despite the fact that it had been

recognized in the course of the general debate that the policies of the major developed countries had an obvious impact on the world economy, and in particular on the economies of developing c untries, it had not been accepted that a commitment should be undertaken except on the principle of engaging in global consultations concerning the policies of the developed countries, as it had been felt that there should not be a different approach to the policies of developed and developing countries. The Group of 77 regretted this position. Furthermore, some developed countries had not agreed that the purpose of such global consultations was to seek consistency between short-term and long-term policies, nor was the search for such consistency to be connected, in the view of some developed countries, to any restructuring which would aim at promoting the new international economic order. The Group of 77 had felt that it could not agree that the Board should not adopt recommendations on policy issues relating to trade and related economic problems in the light of such consultations. As regards the review by UNCTAD of the evolution of the rules of and principles governing international economic relations, it had not been possible to secure the agreement of the developed countries to the principle that the report of the Secretary-General of UNCTAD on this subject should include recommendations on the further evolution of those rules and principles, and yet, the elaboration of such principles was clearly within the competence of UNCTAD. Certain questions had been raised in the course of the discussions which had not been of a constructive nature. The Group of 77 felt that the issues involved in agenda item 8 had to be faced fairly in order to promote fruitful co-operation for development between North and South rather than seeking scapegoats or resorting to divisive tactics. When the issue came up for discussion at the Board, more positive solutions should be sought in the spirit which had presided over the seventh special session of the General Assembly.

III. DEVELOPMENTS IN INTERNATIONAL TRADE

(Agenda item 9)

13. This item was referred, for consideration and report, to Negotiating Group II. 10/

A. Protectionism: trends and short-term and long-term policies and actions to deal with the problem (item 9 (a))

14. Under this sub-item, the Conference had before it a report by the UNCTAD secretariat entitled "implications for developing countries of the new protectionism in developed countries" (TD/226).

15. In its resolution 33/196, the General Assembly had, inter alia, stressed the widespread and growing concern about the growth of protectionism in developed countries against the exports of developing countries, called upon the developed countries to adhere strictly to the commitment concerning the standstill on new tariff and non-tariff barriers or intensification of existing ones against the exports of developing countries, and also called upon these countries to carry out structural changes with respect to less competitive sectors of their economies and urged them to eliminate speedily all forms of protectionist measures and practices against the exports of developing countries.

16. The Conference also had before it the position of the Group of 77 on this sub-item as set out in the Arusha Programme (TD/236, pp. 30-32), and a document submitted by Bulgaria, Byelorussian SSR, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, Poland, Ukrainian SSR and USSR (TD/257).

17. At the 171st meeting, on 3 June 1979, the President drew attention to a draft resolution (TD/L.188) on protectionism and structural adjustment, submitted by the Chairman of Negotiating Group II.

Action by the Conference

18. At the same meeting, the Conference, having first noted the statement of financial implications (TD/L.188/Add.1), 11/ adopted draft resolution TD/L.188 without dissent. 12/

19. The spokesman for the Group of 77 said that his Group was disappointed with the resolution just adopted, which fell far short of its expectations. However, the Group of 77, in a constructive effort to reach some results with respect to the important issue of protectionism and structural adjustment had agreed to

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10/ See part three, section G, below.

11/ The text of this statement is reproduced in annex X below, section O.

12/ For the text of this draft resolution, see part one, section A, above, resolution 131 (V).

accept the text. With reference to part B, paragraph 5 of the resolution, it was the understanding of the Group of 77 that procedures would be evolved so that cases of protective action against exports of developing countries not members of GATT would also be examined, and that the body that would undertake such an examination would be open-ended.

20. The spokesman for Group D said that his Group supported the resolution just adopted in the light of the views expressed in document TD/257 and the following considerations. Group D countries supported the struggle against the growth of protectionism and were in favour of effective international efforts to eliminate protectionist measures with a view to ensuring the steady development of international trade in all fields. Group D had refrained from introducing any protectionist measures, but their own exports were suffering from the negative effects of the new wave of protectionism. Accordingly, while they supported the provisions of the resolution that served the interests of the developing countries, they believed that international measures against protectionism could be effective only if they were not confined to promoting the interests of a single group of countries. Group D agreed with the developing countries that the struggle against the growth of protectionism was closely linked with the question of structural change. The Group D countries were assisting the developing countries in attaining independent economic, social and political development, consolidating their sovereignty over their national resources and expanding and diversifying their production and exports. The provision of such assistance was based on methods appropriate to the socio-economic system of the socialist countries, in other words assistance provided for the creation of new enterprises and the improvement of existing enterprises in the developing countries and also for the establishment of links with enterprises in the Group D countries was based on planning. Such co-operation was based on voluntary and equal relations and on the exploitation of the relative strengths of national economies; account was also taken of differences in national methods of economic management. Experience had shown that long term agreements and the intergovernmental commissions established by the parties to such agreements had proved to be reliable mechanisms for this purpose. In making their contribution to the establishment of mutually beneficial economic structures, the Group D countries assumed it was understood that there were major differences between their countries and the developed market economy countries, including differences in their approach to the problem of protectionism and their methods of solving it. In the light of the foregoing, the Group D countries supported the objectives of the resolution just adopted.

D. Multilateral trade negotiations: evaluation and further recommendations arising therefrom (item 9 (b))

21. For its consideration of this sub-item, the Conference had before it a report by the UNCTAD secretariat entitled "Multilateral trade negotiations: evaluation and further recommendations arising therefrom" (TD/227 and Corr.1 and Add.1).

22. In paragraph 3 of its resolution 33/154, the General Assembly considered that the fifth session of the Conference would provide an important and timely occasion, inter alia, for a review of progress and developments relating to the major ongoing negotiations and agreement on appropriate further action.

23. Also before the Conference in connexion with this sub-item was the position of the Group of 77, as set out in the Arusha Programme (TD/236, pp. 33-35).

24. The Conference also had available to it, under cover of document TD/251, copies of a report by the Director-General of GATT on "The Tokyo Round of Multilateral Trade Negotiations".

25. At the 171st meeting, on 3 June 1979, the President announced that agreement had been reached on a decision concerning the multilateral trade negotiations whereby the Conference would request the Board to make a global evaluation of the multilateral trade negotiations on the basis of a report by the Secretary-General of UNCTAD together with other relevant documentation.

Action by the Conference

26. At the same meeting, the Conference adopted the decision referred to by the President without dissent. 13/

27. The spokesman for the Group of 77 said that his Group regretted that it had not been possible to adopt a resolution on the multilateral trade negotiations. The Group of 77 had submitted in Negotiating Group II a draft resolution which brought out the deficiencies in the procedures followed in those negotiations and the shortfalls in the areas of major concern to the developing countries. It had urged that efforts be made before the close of the negotiations to rectify those deficiencies and that the negotiations should be continued until the objectives of the Tokyo Declaration had been realized. As it had not been possible to agree upon a resolution, the Group of 77 had adopted the following Declaration:

"Multilateral trade negotiations

Declaration by the Group of 77

We, the representatives of the developing countries, members of the Group of 77, at the fifth session of the United Nations Conference on Trade and Development, held at Manila, from 7 May to 3 June 1979, having reviewed the progress made in the multilateral trade negotiations so far:

Recognizing the vital role of international trade for the economic development of developing countries,

Considering the relevant provisions of General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974 on the Declaration and the Programme of Action on the Establishment of a New International Economic Order; 3281 (XXIX) of 12 December 1974 on the Charter of Economic Rights and Duties of States; 3362 (VII) of 16 September 1975 on development and international economic co-operation; and 33/199 of 29 January 1979 on multilateral trade negotiations,

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13/ For the text of this decision, see part one, section A, above, decision 132 (V).

Recalling Conference resolutions 82 (III) of 20 May 1972 and 91 (IV) of 30 May 1976 in which it recognized the importance of the multilateral trade negotiations for the developing countries,

Recalling in particular the Declaration of Ministers approved at Tokyo on 14 September 1973 (Tokyo Declaration) setting forth the framework, the principles and the objectives of the multilateral trade negotiations, especially the objectives and commitments in favour of developing countries,

Recalling also that one of the major objectives of the multilateral trade negotiations was to secure additional benefits for the international trade of developing countries so as to enable them to accelerate the rate of growth of their exports and expand their share of world trade,

Stressing that the Ministers had recognized the importance of the application of differential measures to developing countries in ways which will provide special and more favourable treatment for them in areas of the negotiations where this was feasible and appropriate, the need to ensure special treatment in favour of the least developed among them, and to maintain and improve the generalized system of preferences,

Considering that developing countries had submitted specific proposals as to how special and more favourable treatment could be accorded to them in all the areas of negotiations, including that a legal framework should be established to provide that differential and more favourable treatment would constitute a permanent basis for future trade relations between developed and developing countries,

Expressing grave concern over the rising trend in protectionist policies and measures in developed countries and the consequences of such measures on world trade and development particularly of the developing countries,

Stressing the need for international policy measures to be taken in favour of the developing countries to enable the developing countries to expand their trade and production and to accelerate the rate of their economic development,

Reaffirm the concern expressed by the developing countries in the Arusha Programme for Collective Self-Reliance and Framework for Negotiations that the developed countries had failed to respond to the interests and concerns of the developing countries, including the least developed countries, consistent with the commitments undertaken in the Tokyo Declaration,

I

Note with regret the mechanics of the conduct of the negotiations which led to a lack of transparency, compromised the multilateral character of the negotiations and afforded little scope for effective participation by developing countries; the lack of procedures of adoption of instruments to ensure that they had the support of the majority of participants in the negotiations so that the emerging trading system fully corresponds with the interests and needs of developing countries;

Note with regret that many of the proposals submitted by the developing countries, including the least developed among them, for special and more favourable treatment for them were not accepted. Thus, while certain provisions for special and more favourable treatment have been included in some instruments, the commitments made in the Tokyo Declaration in this regard remain far from being fully met. And note furthermore that the commitment with regard to non-reciprocity has not been observed;

View with particular concern that the negotiations aimed at establishing an improved legal framework for the conduct of international trade more responsive to the needs and aspirations of developing countries have had disappointing results. The objective that differential and more favourable treatment should constitute the guiding principle in trade relations between developed and developing countries has not been achieved; provisions in development of the economies of the developing countries, in particular for their industrialization have not been built in, and the contractual framework for the conduct of international trade relations still remains based on relative economic power and thus inadequate to protect the rights of developing countries,

Observe with concern that certain important products, including tropical products, of export interest to the developing countries, and products from several industrial sectors in which they have the capability, the advantage and potential for growth, have been virtually excluded from the tariff concessions made by developed countries; and that no attempt to tackle the problem of tariff escalation has been made,

Note with disappointment that in the "Special and Priority" sector of tropical products the results fell short of those achieved on a general basis and that offers in some cases were made conditional upon reciprocity and remained unimplemented,

Express profound dissatisfaction that there has been no multilateral solution to the problem of quantitative restrictions faced by the products of developing countries, and that restrictions in many important sectors such as textiles have not even been discussed,

Note with grave concern that no safeguards code has emerged as part of the final package so far which might protect the interests of developing countries and ensure their uninterrupted growth, and that the lack of success in this area is mainly due to the insistence of a few developed countries to secure unfettered freedom to take selective safeguard action which would enable them to discriminate against developing country exports,

II

ACCORDINGLY DECLARE

1. That the developed countries must ensure that the commitments under the Tokyo Declaration to provide special and differentiated treatment are effectively implemented, and that mechanisms be established in this respect taking fully into account the trade, development and financial needs of developing countries, and their small share in world trade;

2. That the developed countries, before the final instruments relating to the multilateral trade negotiations are adopted, must take urgent action to rectify the following situations:

(a) No liberalization was achieved on quantitative restrictions affecting the exports of developing countries or measures having a similar effect, such as "voluntary" export restraints and "orderly marketing arrangements". These measures remain widely prevalent, especially in the agricultural, textiles and leather goods sectors where they present a serious impediment to the exports of developing countries. A programme for the liberalization and elimination within a defined and short time-frame of measures not liberalized in the negotiations should be established immediately taking into account the interests and proposals of developing countries;

(b) Many tropical products, including their processed forms, continue to face tariff and non-tariff barriers. The developed countries, in conformity with the commitments in the Tokyo Declaration, should treat tropical products as a special and priority sector, and respond favourably to requests on tropical products from developing countries to improve the developed countries' offers; developed countries which have not implemented their offers should do so immediately;

(c) In the tariff field many important products of interest to developing countries have either been completely excluded or subjected to insignificant tariff cuts. Multilateral trade negotiations must be continued to achieve substantial tariff reductions on these items. Action should also be taken to eliminate tariff escalation and related non-tariff measures, especially those which impede the processing of raw materials in developing countries prior to export;

(d) A multilateral safeguard system should be evolved which would lead to greater discipline, objectivity, transparency and better surveillance in order to further trade liberalization and preserve its results and to provide smooth structural transformation in such a way as to enable the developing countries to develop and diversify their economies. As a rule safeguard action should be taken on a most-favoured-nation basis under strictly defined conditions of market injury. It should not be used to discriminate against exports of developing countries, in particular on such grounds as low costs or prices, and should in no case be taken unless all bilateral or multilateral consultation procedures have been exhausted. There should be no unilateral selective safeguard action. There should be early termination of all discriminatory measures, whether national or under multilateral arrangements. Safeguard action by developed countries should be time-bound and accompanied by adjustment measures. In no case should safeguard action result in the roll-back or freezing of the exports of developing countries. There should be special and differentiated treatment for developing countries in the context of a safeguard code, and as a measure of such treatment the newcomer and small supplier developing countries should be exempted from safeguard action;

(e) The right of developing countries to use export and other subsidies, to diversify their economies, to achieve their socio-economic objectives of development and to overcome the structural disadvantages from which their economies and export sectors suffer, should not be diluted by other provisions

of the Agreement on the subject. Countervailing duties may not be levied against subsidized imports of developing countries except in exceptional cases and only after determination of "material injury" on the basis of objective criteria and when all bilateral and multilateral consultation procedures have been exhausted. No action shall be taken on the basis of displacement of exports of developed countries by subsidized exports of developing countries in relation to a third country market, by developed countries. The use of subsidies by developed countries on products directly competing with products of developing countries should not be allowed. It is emphasized that in developing countries governments normally participate in economic activities and such participation cannot be construed as amounting to subsidization. There should be no discrimination between value-added tax and other systems of taxation in regard to permitted remission of taxes, duties and charges; nor should any discriminatory treatment be accorded in favour of practices followed by the developed countries in the matter of credits for exports or other forms of subsidies;

(f) Improvements should be effected in certain of the important agreements on non-tariff measures especially:

(i) Products of export interest to developing countries must be included by the developed countries in the list of items, the procurement of which by the scheduled entities would fall under the disciplines of the Agreement on Government Procurement, and for products subject to any quantitative restrictions or tariff quotas the quantities purchased by entities should be outside such limitation.

(ii) There should be one Agreement for Customs Valuation which should incorporate the proposals made by the developing countries.

(g) In respect of all provisions proposed above, the developed countries should effectively and urgently implement the provisions of paragraph 6 of the Tokyo Declaration;

3. That there should be advance implementation of tariff cuts for products of particular interest to developing countries. However, the developing countries having a substantial interest and which are affected by tariff reductions may seek exclusion of specific products from such advance implementation;

4. That the legal framework of international trade should respond directly and effectively to the trade interests and economic development needs of the developing countries and should in no case impose additional burdens or constraints on the developing countries. The trade of no developing country shall be placed at a disadvantage compared to the trade of any developed country;

5. Their rejection of the concept of "graduation", sought to be introduced by developed countries in the trading system which would allow developed countries to discriminate among developing countries in a unilateral and arbitrary manner;

6. That Agreements, arrangements or rules multilaterally negotiated in the multilateral trade negotiations can be considered as final only when the essential concerns of the developing countries have been incorporated;

7. That the countries participating in the multilateral trade negotiations should continue negotiations until the objectives and commitments contained in the Tokyo Declaration are fully realized in so far as they relate to the interests of developing countries."

28. The spokesman for Group B, speaking on behalf of Austria, Belgium, Canada, Denmark, Finland, France, Federal Republic of Germany, Greece, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Sweden, Switzerland, United Kingdom and United States, said that these countries considered the multilateral trade negotiations to be an important landmark in efforts to maintain and improve the system of open world trade and considered that the negotiations had had special significance for the trade of all countries, including the developing countries. They regretted that it had not been possible to arrive at an agreed conclusion at the Conference after long and intensive discussion. In this regard, it should be noted that Group B had attempted to meet the concerns of developing countries and had informally circulated a possible compromise text. Unfortunately the Group of 77 had felt it lacked sufficient time adequately to consider that text.

29. He added that the multilateral trade negotiations had been launched at the Tokyo Ministerial Meeting which had concluded with the Tokyo Declaration setting forth the aims, framework and basic negotiating principles of the Tokyo Round. It included provisions to assure special attention to the trade needs of the developing countries, and in particular the least developed among them. The negotiations had been opened to participation by all countries and some 99 had taken part, including many developing countries. The negotiations were to be continued on a safeguards agreement and on certain bilateral matters. On most other matters, the negotiations had been completed, which was an important achievement considering the difficult economic environment in which they had been conducted. The very existence of the negotiations had played a useful role in constraining protectionist measures in recent years. The implementation of the results would bring benefits for all trading countries.

30. He noted that the negotiations had taken place under the auspices of GATT and, with the improvements resulting from the negotiations, GATT would continue to be an important positive factor for the world economy in the future. A strong world economy was important for developing country exports and in respect of the ability to resist protectionism and promote structural adjustment. The multilateral trade negotiations had been the most comprehensive trade negotiations ever held; in addition to the negotiation of tariff cuts and bindings, it had included for the first time negotiation of several "codes" or agreements on non-tariff measures, and modifications to the GATT framework itself. It would thus result in a major reinforcement and bring international trading rules in line with present-day realities and provide widespread benefits for all trading countries. That achievement was particularly timely in view of the increasing importance of disciplining, and avoiding, the use of protectionist policies. Developing countries were certainly aware of the benefits of tariff reductions and increased bindings under the trade negotiations, both directly as exporters and indirectly because of the positive effects those reductions would have on the world economy as a whole. The reductions, as they had been negotiated, would

result in reduced tariff escalation. Developing countries would further benefit from the codes, not only from the harmonizing of trade rules and improved disciplines which would help all countries expand and diversify their exports, but also from the provisions for special and differential treatment in favour of developing countries. It was in the interest of the developing countries to subscribe to those codes so that they would participate fully in their implementation and future evolution. In addition, the results achieved in negotiations on the legal framework would be of significance to the developing countries in several fields, namely preferences and other special treatment, safeguard action for balance-of-payments or development purposes, and dispute settlement. The various tariff, non-tariff and framework benefits for developing countries had been negotiated in response to the terms of the Tokyo Declaration. This had been the first time that widespread special provisions for developing countries had featured in a trade negotiating round. The result would be an international trading régime which would better reflect the concerns shared by all regarding the position of developing countries in the international economic system.

31. He went on to say that no-one could claim that the results of the multilateral trade negotiations were fully satisfactory. No single member of Group B was fully satisfied with the results, for example, but that was inevitable in a negotiation in which all results were necessarily compromises. However, the multilateral trade negotiations had already had positive effects. The fact that the negotiations were in progress had strengthened the determination of Governments to resist protectionist pressures. That was particularly significant at a time of considerable economic difficulty. Moreover, many developed country contributions to developing countries on tropical products had already been implemented. Failure of the multilateral trade negotiations would have been most serious and would have had especially grave consequences for all countries. Tariff and non-tariff results would have been forgone, and protectionist forces unleashed. Not only would the opportunity for an improved trading system, with fewer barriers and more discipline, have been lost, but there would have been a deterioration of the present situation. It was most heartening that the attitude of the participating Governments had been sufficiently constructive, and that a willingness to compromise had been sufficiently forthcoming, for failure to be avoided and for a result to be achieved which, while not completely satisfying anyone, had been creditable considering the prevailing economic circumstances. Group B countries now looked forward to working with as many developing countries as possible in order successfully to implement the results of the negotiations.

32. The representative of Australia said that his country could not support the remarks made by the spokesman for Group B in their entirety. Australia's attitude during discussions of the multilateral trade negotiations at the Conference had been that in some important respects the results of the negotiations had been unbalanced in that the benefits had fallen unevenly both as to countries and as to sectors. For that reason, Australia had benefited unevenly in many sectors of the negotiations and therefore found difficulty in supporting the outcome as enthusiastically as many Group B countries.

IV. COMMODITIES

(Agenda item 10)

33. This item was referred, for consideration and report, to Negotiating Group III. 14/

A. Integrated Programme for Commodities: Review of implementation and follow-up action, including the on-going preparatory work and negotiations (item 10(a))

34. Under this subitem, the Conference had before it two reports by the UNCTAD secretariat, one entitled "Integrated Programme for Commodities: Review of implementation and follow-up action, including the on-going preparatory work and negotiations" (TD/228 and Add.1), and the other entitled "Action on export earnings stabilization and developmental aspects of commodity policy" (TD/229), accompanied by the following supporting papers: "Compensatory financing: issues and proposals for further action" (TD/229/Supp.1 and Corr.1); "The processing before export of primary commodities: Areas for further international co-operation" (TD/229/Supp.2 and Corr.1); and "Marketing and distribution of primary commodities: Areas for further international co-operation" (TD/229/Supp.3 and Corr.1).

35. Also before the Conference under this subitem was the report of the Ad hoc Intergovernmental Committee for the Integrated Programme for Commodities on its eighth session (TD/B/IPC/AC/27) which the Board, at its tenth special session, had decided to transmit to the Conference for consideration. 15/

36. The Conference also had before it the position of the Group of 77 on this subitem, as set out in the Arusha Programme (TD/236, pp. 36-41), and two documents submitted by Bulgaria, Byelorussian SSR, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, Poland, Ukrainian SSR and USSR, entitled "Considerations of socialist countries on the implementation of the Integrated Programme for Commodities" (TD/259 and Corr.1), and "Role of transnational corporations in the commodity trade of the developing countries" (TD/261).

37. The Conference also had available to it, under cover of document TD/252, copies of a document containing comments prepared by the Research Department of the International Monetary Fund on chapter II of document TD/229/Supp.1, and a note by the UNCTAD secretariat (TD/252/Add.1) dealing with some of the points raised in the IMF comments.

1. Integrated Programme for Commodities

38. At the 171st meeting, on 3 June 1979, the President announced that a consensus had been reached in the Contact Group on a draft resolution on the Integrated Programme for Commodities (issued subsequently as TD/L.193).

14/ See part three, section G, below.

15/ See TD/B/744, paragraph 86.

Action by the Conference

39. At the same meeting, the Conference, having first noted a statement of the financial implications thereof, 16/ adopted draft resolution TD/L.195 without dissent. 17/

40. The spokesman for Group B, speaking on behalf of the large majority of States members of Group B, said that the acceptance by these countries of section II, paragraph 7, of the resolution did not imply an acceptance of differential pricing schemes. He added that, in the view of Group B, the established procedures mentioned in paragraph 2 of section II referred to the procedures laid down in the decision of the Committee on Commodities reproduced in paragraph 45 of the report of that Committee on its fifth session. 18/

41. The representative of the Federal Republic of Germany said that, while his country had not opposed the adoption of the resolution by consensus, it considered the linking of commodity prices with the price trend of manufactures or world inflation, in other words indexation, not only to be a mistake from the economic standpoint but also harmful, as was borne out by the experience of several countries in recent years which had experimented with such mechanisms, which in every case had boosted inflation. His country was of the opinion that the price ranges of commodity agreements should be fixed exclusively according to the state of the respective market; any price range established by administrative procedures would not be in anyone's interests, at least in the long term. His country also considered that, within the scope of the Integrated Programme for Commodities no measures should be taken which would adversely affect importing countries. Consequently, any provision to protect the developing countries from such effects would be superfluous. His country also considered that government interference with the commodity processing structure, in the form either of adjustment assistance or of measures to harmonize the manufacture of synthetic products, or any other kind of intervention, would be neither expedient nor acceptable. His Government was decidedly in favour of expanding the processing of commodities in the developing countries and supported investment to this end in the form of guarantees and tax relief, while advocating a further lowering of trade barriers. In its view, those were the most appropriate means of achieving the desired objective.

42. The representative of the United States said that, while his country was pleased to join in the consensus on the resolution, it could not accept that it was thereby committed to the specific courses of action or the principles implied or suggested in section III of the resolution. On the stabilization of commodity

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16/ This statement is reproduced in annex X below, appendix 2, section K.

17/ For the text of this resolution, see part one, section A, above, resolution 124 (V).

18/ See Official Records of the Trade and Development Board, Tenth Session, Supplement No. 3 (TD/B/317).

markets, his country continued to believe that effective arrangements should aim at stabilization of prices around the long term trend and apply to all producers. The studies suggested under the resolution represented a major undertaking and his country believed that further discussion would be necessary on their precise terms of reference. In this regard, it would encourage the UNCTAD secretariat to consult with governments. On the question of processing, the United States believed that increasing the developing countries' share of processing and marketing should continue to be a function of market forces.

43. The representative of Canada recalled his delegation's interpretative statement made at the fourth session of the Conference in connexion with the adoption of resolution 93 (IV) 19/ concerning natural products competing with synthetic products, which also applied to the relevant provisions of the resolution just adopted. Canada also associated itself with the remarks made by the spokesman for Group B concerning paragraphs 2 and 7 of section II of the resolution.

44. The representative of Austria, in welcoming the consensus achieved on the resolution, said that his country was ready to participate in a constructive manner in the pursuit of its objectives. However, in its view, certain parts of the resolution, in particular paragraphs 2 (b), 2 (c) and 2 (e) of section III, would need to be studied and interpreted in greater detail.

45. The representative of the Netherlands welcomed the adoption of the resolution, noting in particular that section I, paragraph 3, of the resolution urged States members of UNCTAD as well as international organizations to indicate their intentions on pledging voluntary contributions to the second window of the Common Fund before the fourth session of the United Nations Negotiating Conference.

46. The representative of Japan associated his delegation with the statement made by the spokesman for Group B, adding that Japan's acceptance of paragraph 7 of section II did not imply an open commitment in the interest of producing developing countries, although it was prepared to do the best it could where possible and appropriate. With regard to paragraphs 1 and 2 of section III of the resolution, it was important, in considering the processing of primary commodities and the export of processed goods, to maintain the commodity approach in order to assess the possible scope for international co-operation in this area, reflecting the interests of both producers and consumers concerned. In taking into account the elements listed in paragraph 2 of section III, especially subparagraph 2 (e), Japan believed that due consideration should be given to the characteristics of each commodity and to the economic, social and security objectives of individual countries.

47. The spokesman for Group D said that the Group D countries in general supported the resolution just adopted. However, the provisions of section II, paragraph 2, concerning assistance in respect of the organization of preparatory meetings were inappropriate and might lead to an unjustified proliferation of UNCTAD's activities, with all the attendant financial consequences. The Group D countries did not consider themselves bound by this provision, and if it had been put to the vote separately they would have voted against it.

19/ See Proceedings of the United Nations Conference on Trade and Development, Fourth Session, Vol. I, Report and annexes, part two, paragraphs 25-28.

48. The spokesman for the Group of 77 welcomed the fact that the resolution on the Integrated Programme for Commodities had been adopted by consensus following rather difficult and delicate negotiations. The Group of 77 consequently regretted that a number of developed countries had found it necessary to make statements of interpretation of the resolution. Such statements could only dilute the sense of the consensus that had been achieved after strenuous efforts and after goodwill on all sides. The Group of 77 considered that the text adopted did not require explanations or interpretations. The term "established procedures" clearly referred to the procedures in operation in UNCTAD and in the United Nations system as a whole. Furthermore, the Group of 77 remained fully committed to Conference resolution 93 (IV). Therefore, it could only interpret terms such as "stabilization" in the context of that resolution, in which stabilization was explicitly described as being in line with the objectives set out in paragraph 1 of section I of that resolution.

49. The representative of the Ivory Coast welcomed the consensus achieved on the resolution just adopted. However, he expressed surprise concerning the interpretative statements just made concerning certain paragraphs of the resolution, in particular regarding paragraph 7 of section II concerning the revision of price ranges in the negotiation and renegotiation of international commodity agreements or arrangements. He hoped that such statements would not have serious consequences for the implementation of the Integrated Programme for Commodities.

2. Pledges of voluntary contributions to the second window of the Common Fund

50. During the course of the general debate, a number of countries made specific pledges of voluntary contributions to the second window of the Common Fund under the Integrated Programme for Commodities, as follows: Philippines ($25 million); Norway ($22 million); Sweden ($5.5 million); Belgium ($3 million); Austria and Finland ($2 million each) and Malaysia ($1 million).

51. In addition to the countries which made specific pledges, a number of other countries indicated during the general debate that they would contribute to the second window without specifying the amount. These countries were: Australia; Canada; China; Denmark; Germany, Federal Republic of; India; Indonesia; Ireland; Japan; Republic of Korea; Luxembourg; Mexico; Netherlands; Switzerland; United Arab Emirates; Venezuela; Yugoslavia.

52. At the 171st meeting, on 3 June 1979, the President invited further announcements concerning pledges of voluntary contributions to the second window of the Common Fund.

53. The representative of Indonesia announced that his country would make a voluntary contribution of $1 million to the second window, which would be over and above that part of its minimum equal contribution to the Common Fund to be allocated to the second window. Furthermore, Indonesia stood ready to make an additional voluntary contribution to the second window at a later time should there be insufficient pledges to reach the agreed target of $350 million.

54. The representative of Thailand announced that his Government had decided to pledge $1 million as its voluntary contribution to the second window.

55. The representative of the Netherlands said that his country had taken a particular interest, from the outset, in the negotiations on the establishment of the Common Fund. In line with this interest, it would contribute $17 million to the second window, which was roughly four times its share, as soon as the negotiations on the Common Fund were concluded successfully.

56. The representative of Yugoslavia said that his country had pledged a contribution of $30 million to the Common Fund. The amount of its contribution to the second window would be determined subsequently in the light of the political and economic importance that his country attached to the operations of the second window. His Government had also decided to make a special contribution in favour of the least developed countries within its announced contribution of $30 million to the Common Fund.

57. The representative of India said that as early as May 1976 during UNCTAD IV, the Indian delegation had announced the decision of the Government of India to participate in the Common Fund for financing commodity stocks or any other necessary measures within the framework of commodity arrangements and to make a contribution in accordance with the formulas to be established by the Conference, which at that time had been estimated at $25 million. Since then, the Fund had undergone a substantial change. While continuing to adhere to the commitment made at Nairobi, his Government intended to contribute $5 million exclusively to the second window of the Common Fund after it had been established.

58. The representative of Singapore said that the major responsibility for contributing to the second window of the Common Fund rested with the developed countries. The ASEAN countries had, however, decided to contribute to the second window and Singapore intended to make a voluntary contribution of $250,000.

59. The representative of Denmark stated that, subject to parliamentary approval, the Danish contribution to the second window of the Common Fund would be in the order of 12-15 million Danish kroner, corresponding to $2-3 million.

60. The representative of Japan said that his country considered it vital that the Common Fund should begin to operate at the earliest possible date and with the participation of as many countries as possible. His country was prepared to give an adequate amount in voluntary contributions to the second window of the Fund. It also believed it important that the Fund's first window, which was to support buffer-stock financing, should be able to fulfil the major task.

3. Proposal concerning a complementary facility for commodity-related shortfalls in export earnings

61. At the 171st meeting, on 3 June 1979, the spokesman for the Group of 77 requested that the proposal of the Group of 77 on a complementary facility for commodity-related shortfalls in export earnings (subsequently issued as TD/L.194), on which agreement had not been reached in the Contact Group, should be put to the vote.

62. In connexion with this proposal, a representative of the Secretary-General of UNCTAD made an oral statement of financial implications. 20/

20/ This statement was subsequently issued as TD/L.194/Add.1 and is reproduced in annex X below, appendix 2, section L.

Action by the Conference

63. At the same meeting, the Conference, having noted the statement of financial implications, adopted the proposal in TD/L.194 by 73 votes to 12, with 14 abstentions. 21/

64. The representative of the Federal Republic of Germany said that his country favoured a system designed to stabilize the export earnings of commodities of the developing countries. It therefore agreed with the proposal that the Secretary-General of UNCTAD prepare a study in close co-operation with the Development Committee of the IMF and the World Bank. The study should explore several possible solutions to the problem, including a proposal by his country which in important respects envisaged arrangements which differed from those contained in the resolution just adopted. In particular, his country felt that such a system should not provide for compensation in real terms nor should it compensate for shortfalls in export earnings on a commodity-by-commodity basis.

65. The representative of Sweden said that his country had voted in favour of the resolution in view of the importance it attached to the issue of stabilizing the export earnings from commodities of developing countries. It hoped that the study to be undertaken would form part of the ongoing process of improving facilities for export earnings stabilization. In this regard, Sweden considered that the Secretary-General of UNCTAD, in conducting his study, should take into account the need to co-ordinate his work with the examination of this issue by the Development Committee, and also have regard to the different modalities governing such facilities.

66. The representative of Finland said that his country, in voting for the resolution just adopted, wished to recognize the importance of the stabilization of commodity export earnings for the economic development of the developing countries. However, in supporting the resolution, Finland had not taken a position on any future decision regarding the revision of existing facilities or on the possible establishment of any new facility, nor on any possible modalities of such arrangements. It was to be hoped that, in undertaking his study, the Secretary-General of UNCTAD would, to the greatest possible extent, avoid duplication with the ongoing work of the World Bank and the IMF.

67. The representative of Norway observed that compensatory financing was one of the elements in the Integrated Programme for Commodities which had been mentioned in Conference resolution 93 (IV). Norway therefore considered it normal and appropriate that the Secretary-General of UNCTAD should now be given a mandate to make a study on the possibility of the establishment of such a commodity-oriented facility.

68. The spokesman for Group B, speaking on behalf of the majority of the States members of Group B, said that these countries had taken part in Negotiating Group III in a useful and frank discussion on the proposal by the Group of 77 that the Secretary-General of UNCTAD should carry out a study on improvement of existing facilities for compensatory financing, in the context of a global draft resolution on the Integrated Programme. During those discussions, the members of Group B had

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21/ For the text, see part one, section A, above, resolution 125 (V).

demonstrated on many occasions their desire to understand the view of the Group of 77 on this issue. However, the Group of 77 had not responded to this desire and had refused to consider the approach suggested by Group B. The Group of 77 had finally demanded that their proposal be artificially separated from the text of a resolution, the general aim of which would have been to further the implementation of the objectives agreed in common at Nairobi, objectives for which the co-operation of Group B was necessary. The countries of Group B deeply regretted such an attitude.

69. The representative of the United States said that his country viewed the stabilization of export earnings as a very important objective, particularly for the developing countries. A facility for that purpose already existed and consideration was being given in the IMF to its possible improvement. The United States supported such activity, but did not believe that new measures aimed exclusively at stabilizing earnings from commodity exports were appropriate. In addition, it had difficulty with the combination of stabilization and resource transfers in the resolution. Accordingly, it had voted against it.

70. The representative of Canada said that his country had voted against the resolution just adopted. Canada's position on the question of stabilizing export earnings was that: (a) The question was basically one of short or medium-term balance-of-payments financing and must therefore be treated as such rather than as a problem of development financing; (b) A short or medium-term balance-of-payments problem resulting from the instability of commodity trade was conceptually and fundamentally different from the longer term problem of the decline of export earnings for commodities. The former reflected cyclical factors whereas the latter reflected such factors as the introduction of substitutes and the discovery of new sources of supply, etc. and would require a long-term transfer of resources in order to be corrected; (c) From the economic point of view, the question of stabilization of export earnings should therefore be treated as a problem of short-term balance-of-payments financing and hence by the IMF, and particularly by its Compensatory Financing Facility; (d) A restriction of the definition of compensable shortfalls in export earnings to cover only certain commodities would run counter to the general balance-of-payments criteria by not recognizing the possible compensatory effects on total earnings deriving from exports of other commodities. Furthermore, such a restriction would overlook the benefits from exports of finished or semi-finished products and would therefore tend to channel relatively too great an amount of financial resources to those developing countries that had a diversified export structure. The developing countries which would benefit most would therefore be the most advanced ones, rather than the poorest and the least developed, which in general depended more on earnings from only a few commodities; (e) Canada was also unconvinced by the arguments used in paragraphs 10 and 11 of the relevant study by the secretariat (TD/229/Supp.1), namely, that the problems of adjustment for shortfalls in commodity export earnings were greater than they were with respect to total exports, and secondly that a scheme covering individual shortfalls of each commodity export was necessary in order to cover the income and employment adjustments necessitated by such shortfalls. It felt that, since the purpose of any financing facility was to attempt to cover a shortfall in export earnings, and hence in foreign currency, the existence of such a shortfall could be evaluated only at the aggregate level, that is, in terms of balance of payments, for if the balance of payments of a producer country was not in deficit, there seemed no reason why the facility should finance in foreign currency, the earnings shortfall in a particular sector of the country's economy or, a fortiori, why it should compensate for a possible reduction in the terms of trade, i.e., accept to take into account the purchasing power of earnings in a given sector of the economy.

In Canada's view, that would be the responsibility of internal arrangements for adjustment and financing, if such financing was deemed necessary by the country concerned. The international facility should intervene only when internal financing was impossible, i.e., when a country faced difficulties in terms of its foreign currency earnings, hence, when the financing of balance of payments posed a problem; (f) The type of facility proposed, to the extent that it would be accessible to developing producer countries only, would be extremely discriminatory as it would cover products exported in large quantities by developed producer countries. Producers in such countries would then be subject to unfair competition which would have adverse effects on their production, sales, employment and investment. This would also have a distorting effect on the flow of trade and would run counter to a rational division of international production capacity; (g) On the other hand, Canada supported the idea of improving the existing IMF Facility, in a way which would preserve the objectives and principles of the Fund, including non-discrimination, while providing larger-scale assistance to countries genuinely in need of it and which suffered from large shortfalls in their export earnings. The type of improvement which might be envisaged would obviously require discussion; (h) Once the Common Fund began its operations, it might be expected to have a stabilizing effect on prices, which would then have an effect on earnings and thereby reduce the calls made on a facility for financing export earnings shortfalls; (i) Canada would have been able, if this had been generally agreed, to support a study by the UNCTAD secretariat on the general problem of shortfalls in total export earnings. Unfortunately, there had been no opportunity to negotiate further on the resolution, and Canada had therefore been obliged to vote against it. In that connexion, Canada endorsed the statement made on behalf of the majority of the States members of Group B.

71. The representative of Spain said that while, in substance, his country could have fully supported the resolution, it had been obliged to vote against it because one of the technical issues, namely which system should be used to stabilize the commodity prices in real terms, had still not been determined. A profound analysis of the commercial, economic and financial implications of the various systems would be required before his country could take a position in the matter.

72. The representative of the Netherlands said that his country had abstained in the voting because it did not want to oppose a study on a complementary facility. However, at the present moment, his country would prefer the IMF Development Committee to take into consideration the work undertaken by UNCTAD so as to see which elements could eventually be incorporated in the IMF Compensatory Financing Facility.

73. The representative of Denmark said that his country recognized the importance of international schemes for export income stabilization which constituted a necessary supplement to the price stabilization aimed at in the negotiations under the Integrated Programme. It also felt that improvements were needed, in particular in order to give developing countries a higher degree of compensation for their actual export shortfalls. It was thus with regret that it had abstained on the resolution just adopted, because it did not feel that the role assigned to the Secretary-General of UNCTAD in this field was appropriate, in particular in the light of the study at present being undertaken by the Development Committee. If instead the Secretary-General of UNCTAD had been asked to contribute to the work of this Committee, he would have been able, on the basis of his own and the secretariat's vast experience, to highlight points of particular concern to countries participating in the Conference. He added that, in any study of this nature, it was necessary to examine all relevant solutions to problems which were either identical or closely related. If this was not done - and in this respect the terms of reference of the study showed certain shortcomings - the outcome of the study would hardly be considered a suitable basis for future political action.

74. The representative of Japan said that his Government had abstained in the voting, not because it was opposed to the proposal that the Secretary-General of UNCTAD study a scheme to compensate shortfalls in commodity export earnings, but because it believed that such a study should be undertaken by taking into account the outcome of work on the Compensatory Financing Facility of IMF. It also believed that an assessment of the scheme should be undertaken on the basis of the outcome of the proposed study and thus his country could not subscribe to a proposal which presupposed the necessity or desirability of a scheme of a particular type.

4. Statement on sugar

75. At the 171st meeting, on 3 June 1979, the President drew attention to a statement on sugar (TD/L.177) submitted by Cuba on behalf of the States members of the Group of 77. 22/

76. In response to this statement, the spokesman for the European Economic Community made a statement. 23/

77. In this connexion, the representative of Australia said that his country had already made known its views on the consequences of non-membership of the International Sugar Agreement, which would suggest that Australia could support much of what was contained in the statement submitted by Cuba.

D. Other elements

(item 10 (b))

78. Under this subitem, the attention of the Conference was drawn to the UNCTAD secretariat report entitled "The world commodity situation and outlook" (TD/B/C.1/207), and to a report prepared by the FAO secretariat, entitled "The agricultural commodity outlook and development/investment needs" (TD/B/C.1/208).

79. In this connexion, the Arusha Programme (TD/236, p. 41) contained a recommendation concerning the expansion of the share of developing countries in exports of food and food products, the acceleration of food production in these countries, and the strengthening of world food security.

80. The Conference also had available to it, under cover of document TD/256, copies of a document submitted by FAO containing a Plan of Action on World Food Security.

1. Tungsten

81. At the 170th meeting, on 1 June 1979, the President drew attention to a draft resolution (TD/L.166) on tungsten, which Negotiating Group III had recommended for adoption by the Conference.

Action by the Conference

82. At the same meeting, the Conference adopted draft resolution TD/L.166 without dissent. 24/

22/ The text of this statement is reproduced in annex VIII below, section A.

23/ The text of this statement is reproduced in annex VIII below, section B.

24/ For the text of this resolution, see part one, section A above, resolution 104 (V).

83. The representative of the United States said that his delegation had joined in the consensus on the resolution without reservation. However, he referred to the statement of reservation made by the United States at the eighteenth session of the Board in connexion with the adoption of Board decision 175 (XVIII), 25/ in which the United States had stated its view that it was premature to suggest that discussions on tungsten should move to the negotiating stage. His Government continued to hold that view.

2. International food trade

84. At the 170th meeting, on 1 June 1979, the President drew attention to a draft resolution (TD/L.167) on international food trade, which Negotiating Group III had recommended for adoption by the Conference.

Action by the Conference

85. At the same meeting, the Conference adopted draft resolution TD/L.167 without dissent. 26/

3. United Nations Conference to Negotiate an International Arrangement to replace the International Wheat Agreement, 1971, as extended

86. At the 171st meeting, on 3 June 1979, the President drew attention to a draft resolution (TD/L.180) on the United Nations Conference to Negotiate an International Arrangement to replace the International Wheat Agreement, 1971, as extended, which had been submitted by the Chairman of Negotiating Group III.

Action by the Conference

87. At the same meeting, the Conference adopted draft resolution TD/L.180 without dissent. 27/

4. Draft resolution on transnational corporations and international commodity trade

88. At the 171st meeting, on 3 June 1979, the President drew attention to a draft resolution (subsequently issued as TD/L.195) which had been submitted in Negotiating Group III by the German Democratic Republic on behalf of Bulgaria, Byelorussian SSR, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, Poland, Ukrainian SSR, and USSR.

Action by the Conference

89. At the same meeting, the Conference decided to remit draft resolution TD/L.195 to the permanent machinery of UNCTAD for further consideration. 28/

25/ See Official Records of the General Assembly, thirty-third session, Supplement No. 15 (A/33/15), Vol. II, paragraph 274.

26/ For the text of this resolution, see part one, section A above, resolution 105 (V).

27/ For the text of this resolution, see part one, section A above, resolution 126 (V).

28/ See part one, section A above, Other decision (e). The text of this draft resolution is reproduced in annex I below, section D.

V. MANUFACTURES AND SEMI-MANUFACTURES

(Agenda item 11)

90. This item was referred, for consideration and report, to Negotiating Group II. 29/

A. Comprehensive measures required to expand and diversify the export trade of developing countries in manufactures and semi-manufactures (item 11 (a))

91. Under this subitem, the Conference had before it a report by the UNCTAD secretariat entitled "Comprehensive measures required to expand and diversify the export trade of developing countries in manufactures and semi-manufactures" (TD/230), accompanied by a supporting paper entitled "The industrial policies of the developed market-economy countries and their effect on the exports of manufactures and semi-manufactures by the developing countries" (TD/230/Supp.1).

92. The Conference also had before it the position of the Group of 77 on this subitem, as set out in the Arusha Programme (TD/236, pp.42-45).

Action by the Conference

93. At the 171st meeting, on 3 June 1979, the Conference decided to remit agenda item 11 (a) to the permanent machinery of UNCTAD. 30/

94. The spokesman for the Group of 77 said that his Group was deeply disappointed regarding the failure to reach agreement on agenda items 11 (a), 11 (c) and 11 (d). Despite lengthy negotiations and an ample display of flexibility on the part of the Group of 77, it had been impossible to reach agreement owing to a lack of political will on the part of the developed countries to draw closer to the position of the Group of 77. The draft resolutions which had been put forward by the Group of 77 had reflected the legitimate aspirations and interests of their peoples and were extremely important for the establishment of the new international economic order. Continuous efforts would have to be made within the permanent machinery of UNCTAD until just and equitable agreements were reached. Within this context, the Arusha Programme for Collective Self-Reliance and Framework for Negotiations constituted an appropriate basis for the achievement of such objectives.

95. In response, the spokesman for Group B said that his Group believed that there had been substantial areas of agreement as well as differences in the discussions on agenda items 11 (a), 11 (c) and 11 (d). Group B considered that it had shown a positive attitude and considerable flexibility in the negotiations and had made a number of proposals which had gone beyond its original proposals. Group B would be prepared to continue discussion on these issues in the permanent machinery of UNCTAD in a positive manner.

29/ See part three, section G, below.

30/ See part one, section A, above, Other decision (f).

B. Principles and rules and other issues relating to restrictive business practices (item 11 (b))

96. Under this subitem, the Conference had before it a report by the UNCTAD secretariat entitled "Principles and rules and other issues relating to restrictive business practices" (TD/231).

97. On the recommendation of the Board in its resolution 178 (XVIII), the General Assembly decided to convene, in its resolution 33/153, under the auspices of UNCTAD, a United Nations Conference on Restrictive Business Practices "to negotiate, on the basis of the work of the Third Ad hoc Group of Experts, and to take all decisions necessary for the adoption of, a set of multilaterally agreed equitable principles and rules for the control of restrictive business practices having adverse effects on international trade, particularly that of developing countries, and on the economic development of those countries, including a decision on the legal character of the principles and rules". Moreover, the General Assembly authorized UNCTAD V to take appropriate action for the Conference, including decisions on relevant issues and, in particular, the determination of the precise dates for the Conference, within the period September 1979 to April 1980. The Board, at its tenth special session, in taking note of the General Assembly's resolution and of the action required in this regard by UNCTAD V, authorized the Third Ad hoc Group of Experts on Restrictive Business Practices to submit its report on its sixth session to UNCTAD V for consideration. 31/ The report of the Third Ad hoc Group of Experts on its sixth session was circulated at the Conference in document TD/250-TD/B/C.2/201 and Corr.1

98. The Conference also had before it the position of the Group of 77 on this subitem, as set out in the Arusha Programme (TD/236, pp.45-47).

99. At the 169th meeting, on 30 May 1979, the President drew attention to a draft resolution (TD/L.157) on restrictive business practices, which Negotiating Group II had recommended for adoption by the Conference.

100. The Chairman of Negotiating Group II stated that paragraph 4 (b) of draft resolution TD/L.157 gave a mandate to the Secretary-General of UNCTAD to continue the work on the model law or laws taking into account any agreement on this matter in the context of the principles and rules and the views expressed in the Third Ad hoc Group of Experts.

Action by the Conference

101. At the same meeting, the Conference, having first noted the statement of financial implications (TD/L.157/Add.1 and Corr.1), 32/ adopted draft resolution TD/L.157 without dissent. 33/

102. The spokesman for Group D, referring to the financial implications of the resolution, said that the cost of holding the Conference on Restrictive Business Practices should be covered from the budgetary provision already made for that purpose. As regards the secretariat's views concerning additional expenditure under individual paragraphs of the resolution, it seemed to Group D that the work

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31/ See TD/B/744, para. 43 (c).

32/ This statement is reproduced in annex X below, appendix 2, section B.

33/ For the text of this resolution, see part one, section A, above, resolution 103 (V).

in question was not an entirely new departure for the UNCTAD secretariat. In this regard, he referred to the fact that for several years the secretariat had been responsible for preparing material for the various Ad hoc groups of experts on restrictive business practices. Group D therefore considered that the preparation of documentation for the forthcoming Conference represented a continuation of the secretariat's work in that field. Group D proceeded from the premise that work connected with the preparation of documentation should be carried out using not only the staff and financial resources already at UNCTAD's disposal under the budget for activities aimed at the promotion of trade in manufactures and semi-manufactures, but also from what appeared, in its view, to be reserves available in the Division in question. The nature of such reserves could be judged from the simple fact that the Director of that Division had been on mission for almost two years. In view of the proposals which had been submitted at the present session of the Conference for improving the efficiency of UNCTAD, and particularly that of its secretariat, Group D considered it necessary to reserve its position on the financial calculations submitted by the secretariat.

103. The spokesman for Group B said that his Group had noted with interest the statement of financial implications (TD/L.157/Add.1) concerning the estimated direct costs of the resolution, but had not yet had an opportunity fully to examine the statement which, in some instances, reflected contingencies which might not arise. Group B Governments, however, would be giving the financial implications of this resolution as well as other resolutions adopted by the Conference, serious consideration over the coming months with a view to ensuring the most effective use of the financial resources available to UNCTAD, and to the United Nations as a whole. Therefore, approval of this and other resolutions by Group B did not constitute an endorsement of the estimates contained in the statement of financial implications.

C. Review and evaluation of the generalized system of preferences

(item 11 (c))

104. Under this subitem, the Conference had before it a report by the UNCTAD secretariat entitled "Review and evaluation of the generalized system of preferences" (TD/232 and Corr.1 and 3). In this connexion, the attention of the Conference was drawn to a report by the UNCTAD secretariat entitled "A comprehensive review of the generalized system of preferences" (TD/B/C.5/63).

105. The Conference also had before it the position of the Group of 77 on this subitem as set out in the Arusha Programme (TD/236, pp.47-48), and a joint statement by Bulgaria, Czechoslovakia, Hungary, Poland and USSR on the elaboration of unified rules for determining the origin of goods from the developing countries (TD/260).

Action by the Conference

106. At the 171st meeting, on 5 June 1979, the Conference decided to remit agenda item 11 (c) to the permanent machinery of UNCTAD. 34/

34/ See part one, section A, above, Other decision (f). For statements made by the spokesmen for the Group of 77 and Group D in this connexion, see paragraphs 94 and 95 above.

D. Review of the implementation of Conference resolutions 96 (IV) a/ and 97 (IV) b/ (item 11 (d))

a/ Conference resolution 96 (IV): "A set of interrelated and mutually supporting measures for expansion and diversification of exports of manufactures and semi-manufactures of developing countries".

b/ Conference resolution 97 (IV): "Transnational corporations and expansion of trade in manufactures and semi-manufactures".

107. In connexion with this subitem, the Conference had before it, in the annex to the report by the UNCTAD secretariat entitled "Comprehensive measures required to expand and diversify the export trade of developing countries in manufactures and semi-manufactures" (TD/230), a review of the implementation of Conference resolutions 96 (IV) and 97 (IV).

108. The Conference also had before it the position of the Group of 77 on this subitem as set out in the Arusha Programme (TD/236, pp.40-49), and a document entitled "Review of the implementation of Conference resolution 97 (IV): Transnational corporations and expansion of trade in manufactures and semi-manufactures" (TD/262 and Corr.1) submitted by Bulgaria, Byelorussian SSR, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, Poland, Ukrainian SSR and USSR. 35/

Action by the Conference

109. At the 171st meeting, on 3 June 1979, the Conference decided to remit agenda item 11 (d) to the permanent machinery of UNCTAD. 35/

35/ See part one, section A, above, Other decision (f). For statements made by the spokesmen for the Group of 77 and Group B in this connexion, see paragraphs 94 and 95 above.

VI. MONETARY AND FINANCIAL ISSUES

(Agenda item 12)

110. This item was referred, for consideration and report, to Negotiating Group IV.36/

A. Consideration of requirements of the international monetary system which would foster world trade and development, compatible with the needs of a satisfactory international adjustment process, taking account of the adverse effects of fluctuating exchange rates and world inflation, and in particular taking into account the development of developing countries and their needs for balance-of-payments support (item 12 (a))

111. Under this sub-item, the Conference had before it a report by the UNCTAD secretariat entitled "International monetary issues" (TD/233). In this connexion, the attention of the Conference was drawn to a report prepared by the UNCTAD/UNDP project on monetary issues for the Group of Twenty-Four entitled "The balance-of-payments adjustment process in developing countries: Report to the Group of Twenty-Four", and to a note by the UNCTAD secretariat entitled "Compensatory financing for export fluctuations" (TD/B/C.3/152/Rev.1 and Corr.1 and 2).

112. The Conference also had before it the position of the Group of 77 on this sub-item, as set out in the Arusha Programme (TD/236, pp.51-54).

113. At the 171st meeting, on 3 June 1979, the President drew attention to a draft resolution (TD/L.184) on international monetary reform which the Chairman of Negotiating Group IV had submitted to the Contact Group.

114. In this connexion, a representative of the Secretary-General of UNCTAD made an oral statement of financial implications.37/

Action by the Conference

115. At the same meeting, the Conference, having first noted the statement of financial implications, adopted draft resolution TD/L.184 by 69 votes to 17, with 13 abstentions.38/

116. The spokesman for Group B said that the resolution just adopted contained a statement of principles and procedural proposals with which Group B could not associate itself. Many members of Group B doubted in particular that the international monetary system could by itself serve to promote the flow of real resources to the developing countries. No member of Group B could agree that the Conference should interfere in

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36/ See part three, section G, below.

37/ Subsequently issued as TD/L.184/Add.1, the statement is reproduced in annex X below, appendix 2, section N.

38/ For the text of this resolution, see part one, section A, above, resolution 128 (V).

the methods and timetable for reviewing the quotas of States members of the International Monetary Fund. Group B considered that the resolution called into question, in certain of its provisions, the autonomy, competence and statutes of the IMF. It felt in general that the study of the problems that might arise with respect to medium-term financing should be undertaken without prejudging the solutions to be chosen. The majority of the Group B countries did not believe in the usefulness of the group of experts established by the resolution. For these and similar reasons, most Group B countries had either voted against the resolution or had abstained.

117. The representative of the United States said that his country had voted against the resolution because it could not accept the preambular and the operative paragraphs. Furthermore, it was disturbed by the procedure followed in adopting the resolution particularly as the positions of the various groups had been so far apart. It felt that a much better course of action would have been to remit the agenda item, together with the draft resolutions submitted under it, to the Board for further discussion.

118. The representative of Italy said that his country had abstained in the voting as it had found it difficult to accept some of the assertions and concepts in the resolution, although it shared its general purpose. In particular, Italy could not accept paragraph 1 (d) concerning the maintenance of the real value of financial assets of developing countries as this might amount to a dangerous form of indexation. As far as the establishment of an ad hoc intergovernmental high level group of experts was concerned, his country felt that a group of experts established under the framework of agenda item 8 might have been able to do a more useful task within a more general context than a group of experts whose mandate was limited only to the monetary aspects of the economic situation. Italy also considered that certain paragraphs of the resolution might be interpreted as interference in the activity of other international institutions, whose autonomy must be preserved.

119. The representative of the Netherlands said that, although his country was in agreement with part of the statement made by the spokesman for Group B, it had nevertheless abstained in the voting because of the importance it attached to further discussion on the subjects dealt with in the resolution. Furthermore, the Netherlands could accept the establishment of the ad hoc intergovernmental high-level group of experts.

120. The representative of Norway said he felt the resolution just adopted contained a number of valuable points, in particular that an ad hoc intergovernmental high level group of experts should examine some essential issues in the area of international monetary reform. Such a group, without infringing upon the mandate of the IMF, might do useful work. Norway also thought that the concept of the "development link" should actively be kept alive. However, there were other points in the resolution which Norway felt would interfere inappropriately with ongoing work in other international institutions, and in certain respects the text was drafted in too categorical a tone. For these reasons Norway had abstained in the voting.

B. Measures to augment the net flow and improve the conditions of resource transfers from

(i) Official bilateral and multilateral finance
(ii) Private capital flows
(item 12 (b))

121. Under this sub-item, the Conference had before it a report by the UNCTAD secretariat entitled "International financial co-operation for development: current policy issues" (TD/234) in particular chapters I-III thereof. In this connexion, the attention of the Conference was drawn to a report by the UNCTAD secretariat entitled "International financial co-operation for development: Capital flows to developing countries" (TD/B/C.3/158).

122. The attention of the Conference was also drawn to the agreed conclusions of the Committee of the Whole established under General Assembly resolution 32/174 at its resumed first session (reproduced in the annex to TD/234), requesting developed countries to consider various proposals for modifying the definition of official development assistance.

123. The Conference also had before it the position of the Group of 77 on this sub-item as set out in the Arusha Programme (TD/236, pp.54-58) and a document (TD/266) submitted by Bulgaria, Byelorussian SSR, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, Poland, Ukrainian SSR and USSR, entitled "The negative consequences of the activities of foreign private capital in the developing countries".

124. At the 171st meeting, on 3 June 1979, the President drew attention to a draft resolution (TD/L.185) on the transfer of real resources to developing countries, which the Chairman of Negotiating Group IV had submitted to the Contact Group, and introduced a number of amendments thereto.

125. The President also drew attention to a draft resolution TD/L.186 concerning the establishment of a multilateral guarantee facility, which had been submitted by Cuba on behalf of the States members of the Group of 77.

Action by the Conference

126. At the same meeting, the Conference adopted draft resolution TD/L.185, as amended, without dissent.39/

127. The Conference also decided to remit draft resolution TD/L.186 to the permanent machinery of UNCTAD.40/

128. The representative of Belgium said that his country would have preferred a separate vote on section III of the resolution just adopted concerning private flows. The fact that that section failed to make any mention of direct private investment, its advantages for development and the mutual obligations of parties to such investment, was so incomprehensible that Belgium would have voted against that section. It had now become obvious that private flows, which had more than doubled since the beginning of the decade, constituted a major means of transferring resources to the developing countries, particularly as many of those countries were encountering problems of debt servicing. Moreover, private investment provided not only financial resources but also resulted in the transfer of technology and of management skills. Belgium had hoped that agreement would be reached at the Conference on general principles for the encouragement of private investment including acceptance of new forms of investment respecting the interests and the new needs of developing countries, and also recognition that there should be sufficiently attractive and stable conditions for exploitation in the host countries. It therefore deeply regretted this omission, which introduced a note of unreality into that section of the resolution.

39/ For the text of this resolution, see part one, section A, above, resolution 129 (V).

40/ See part one, section A, above, Other decision (g). For the text of this draft resolution, see annex I below, section D.

129. The representative of the United Kingdom said that the Conference had adopted resolutions relating to increases in the total of official development assistance, both to developing countries in general and to the least developed in particular. His country's concern for the developing world had been reflected in recent years in steady increases in the volume of its aid, in an increasing concentration of its aid on both the poorest countries and the needs of the poorest people within them, and on an improvement in the terms of its aid, culminating in its decision in 1978 to implement Board resolution 165 (S-IX) relating to the retroactive adjustment of terms of aid. His Government regretted that it was unable at this time to join with other countries in Group B in accepting new expenditure commitments, either in relation to aid in general or for aid to particular groups of countries. This might also be the case with specific new expenditure proposals that appeared in a number of other resolutions adopted by the Conference. His new Government had been in office less than a month and one of its first priorities was to review all aspects of public expenditure. Although this review was being undertaken as a matter of urgency, his Government was unable to enter into any commitments in anticipation of the results of that review. He was, however, in a position to announce that the United Kingdom was in principle willing to contribute to the second window of the Common Fund. He also wished to confirm that the United Kingdom would be maintaining an effective aid programme. The allocation of this aid between recipients and the application of certain measures referred to in resolutions 129 (V) and 122 (V) remained to be determined but, in so doing the United Kingdom Government would bear closely in mind the variety of issues and problems that had been discussed at the Conference.

130. The representative of the Federal Republic of Germany regretted that section III of the resolution just adopted did not reflect the entire scope of the transfer of private resources and their contribution to the industrialization of the developing countries. As decisions regarding private investment abroad were made by private enterprises and not by his Government, an economically viable environment was a necessary pre-condition for investment. The admission of direct investment was of course a matter that was within the sovereign right of the host country. If developing countries wished to receive co-operation in the form of private investment, they should promote clarity and predictability in their national investment laws and policies.

131. The spokesman for Group D said that the members of his Group considered that a resolution drafted in the light of the features and characteristics of economic and financial relations between developed capitalist States and the developing countries could not be applied to financial relations between socialist and developing countries. Group D could not agree with attempts to group the socialist countries together with developed capitalist countries in terms of responsibility for and the material cost of eliminating the consequences of colonialism and neo-colonialism and the crisis in the trade and financial sectors of the capitalist economy. In view of their well known position of principle with regard to the flow of resources from the developed capitalist countries to the developing countries, the members of Group D considered that the recommendations contained in the resolution just adopted did not apply to them.

132. The spokesman for Group D requested that the text of a draft resolution submitted to Negotiating Group IV by Bulgaria, Byelorussian SSR, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, Poland and Ukrainian SSR and USSR, entitled "Flow of private capital: the outflow of financial resources from developing countries as the result of the activities of foreign private capital" be included in the Proceedings of the Conference.41/

41/ For the text of this draft resolution, see annex VII below, section F.

133. The representative of Switzerland said that his authorities fully recognized the importance of transfers of financial resources within all the measures taken in favour of the developing countries, and in particular the role of official development assistance. Acceptance by his country of the resolution just adopted, and of resolution 122 (V), should not be taken as implying that Switzerland was committing itself at present to increase its ODA to 0.7 per cent of its gross national product. However, Switzerland would be taking measures effectively to increase its ODA substantially in the coming years and was determined to make a special and important effort in favour of the poorest and most disadvantaged countries within the framework of its bilateral and multilateral policies for financial co-operation for development. In conclusion, he regretted that it had not been possible for lack of time to include in the resolution just adopted a provision concerning the essential question of co-operation in the field of private investment.

134. The representative of New Zealand said that, while his country accepted the targets mentioned in section III, paragraph 3, of the resolution just adopted and was moving towards them, it could not accept the language of that paragraph as a binding commitment.

135. The representative of Austria said his country had joined in the consensus on the resolution just adopted and would make great efforts effectively to increase its ODA with a view to reaching the 0.7 per cent target. However, it would also have to give due consideration to its own economic and budgetary situation. While convinced of the usefulness of ODA planning on a multi-year basis, his country's present legal system did not permit the establishment of legally binding ODA targets in economic plans or programmes on a multi-year basis. Nevertheless, the likely continuity of the flow of Austrian ODA might be gauged from the fact that Austria had faithfully and promptly committed funds for all contributions assigned to it by global and regional international financial institutions and had been able to comply with other targets such as the annual increase of its contribution to UNDP.

136. The representative of the United States said that his country, while joining in the consensus on the resolution just adopted, did have certain reservations. When the United States had joined in endorsing the agreed conclusions of the Committee of the Whole on resource transfers,42/ it had made a concurrent statement to emphasize certain constraints upon its commitments, particularly as concerns targets and dates for aid performance. His Government had not accepted the 0.7 per cent ODA target and did not contemplate so doing. Hence it could not accept paragraphs 1, 2 and 3 of section III of the resolution. Secondly, the United States was concerned regarding the provisions in the resolution dealing with the administrative arrangements made by the World Bank and regional development banks in respect of such matters as programme assistance, bidding on procurement and access to lending facilities. In their regular reviews on their operations, those institutions would as a matter of course follow policies designed for optimal use of their resources, and such matters should be under review by the organizations regularly. Thirdly, the resolution just adopted did not address itself to certain basic issues concerning foreign direct investment. The United States believed that such investment had made and could continue to make an important and positive contribution to the economic development

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42/ These agreed conclusions were reproduced in the annex to document TD/234.

of the developing countries. It believed that the government of those countries which wished to attract such investment should create a climate favourable to it by promoting clarity and predictability in their national laws and policies. The objectives of all parties - investors and host governments - should be well understood so that there might be productive co-operation and fair and equitable treatment of all parties' interest and requirements.

137. The representative of Australia said that his Government had reaffirmed on many occasions and at the highest level its intention of expanding co-operation with developing countries and in that context was committed to increasing the volume and quality of its ODA. Accordingly, it had been able to join in the consensus on the resolution just adopted. However, it would have difficulty in accepting binding future commitments as regards ODA, particularly in the current and prospective economic circumstances and with continuing Government policies of budget restraint.

138. The representative of Finland said that his country had supported the resolution just adopted because it was convinced that the transfer of resources to developing countries was a key element in international development co-operation. An increase in the volume of ODA remained a priority in his country's development aid policy. His Government had set an intermediate target to increase its ODA to at least double the 1977 level by 1982. That decision had been taken in order to move more effectively to the 0.7 per cent target to which his Government remained committed, but with respect to which Finland had not made a time-bound commitment.

3. Other financing issues related to trade (item 12 (a))

139. Pursuant to resolution 15 (VIII) of the Committee on Invisibles and Financing related to Trade, the Board, at its tenth special session, considered the issue of export credits as a means of promoting exports from developing countries, together with a report prepared by the UNCTAD secretariat on "An Export Credit Guarantee Facility - Part I Main policy issues; Part II Report on consultations with member States and international financial institutions" (TD/B/739, Part I and Part II). At that session, the Board took note of the relevant part of the report of the Committee (TD/B/C.3(VIII)/Misc.6, paragraphs 48-60) and of the secretariat report and decided to transmit them to the Conference for consideration and necessary action.43/

140. In this connection, the attention of the Conference was drawn to chapter 7 of the UNCTAD secretariat report entitled "International financial co-operation for development: Current policy issues" (TD/234).

141. The Conference also had before it the position of the Group of 77 on this sub-item as set out in the Arusha Programme (TD/236, p.58).

142. At the 171st meeting, on 3 June 1979, the President drew attention to a draft decision (TD/L.187) on other financing issues related to trade, which the Chairman of Negotiating Group IV had submitted to the Contact Group.

43/ See TD/B/744, paragraph 46.

Action by the Conference

143. At the same meeting, the Conference adopted draft decision TD/L.187 without dissent.44/

D. (i) Review of implementation and further action that may be required pursuant to Trade and Development Board resolution 165 (S-IX), part A a/

a/ Board resolution 165 (S-IX): "Debt and development problems of developing countries".

(ii) Detailed features for future operations relating to debt problems of interest to developing countries (Trade and Development Board resolution 165 (S-IX), part B)
(item 12 (d))

144. Under this sub-item, the Conference had before it a note by the UNCTAD secretariat entitled "Review of measures taken in pursuance of Board resolution 165 (S-IX)" (TD/234 and Add.1-3). In this connexion, the attention of the Conference was drawn to chapter IV of the UNCTAD secretariat report entitled "International financial co-operation for development: Current policy issues" (TD/234).

145. At its tenth special session, the Board took note of the report of the Intergovernmental Group of Experts on Debt and Development Problems of Developing Countries (TD/B/730-TD/B/AC.28/3), together with the informal note of the Chairman annexed thereto, and decided to transmit it to the Conference for consideration.45/

146. The Conference also had before it the position of the Group of 77 on this sub-item as set out in the Arusha Programme (TD/236, pp.58 and 59).

Action by the Conference

147. At the 171st meeting, on 3 June 1979, the Conference decided to remit agenda item 12 (d) to the permanent machinery of UNCTAD together with a draft resolution on debt problems of developing countries (subsequently issued as TD/L.196) submitted by Cuba on behalf of the States members of the Group of 77.46/

E. Review of the present system of international financial co-operation in the context of world trade and development and consideration of ways and means within this context to make it more effective in contributing to the development of developing countries
(item 12 (c))

148. Under this sub-item, the Conference had before it a report by the UNCTAD secretariat entitled "Towards an effective system of international financial co-operation" (TD/235).

44/ For the text of this decision, see part one, section A, above, decision 130 (V).

45/ TD/B/744, paragraphs 51 and 96.

46/ See part one, section A, above, Other decision (h). For the text of this draft resolution, see annex I below, section C.

149. The Conference also had before it the position of the Group of 77 on this sub-item as set out in the Arusha Programme (TD/236, pp.59-61).

Action by the Conference

150. At the 171st meeting, on 3 June 1979, the Conference decided to remit agenda item 12 (e) to the permanent machinery of UNCTAD together with a draft resolution on an effective system of international financial co-operation (subsequently issued as TD/L.197) submitted by Cuba on behalf of the States members of the Group of 77.47/

F. The effects of the world inflationary phenomenon on the development process

151. In connexion with this issue, the Conference had before it the report of the Group of High-Level Governmental Experts on the Effects of the World Inflationary Phenomenon on the Development Process (TD/B/704 and Corr.1), established by the Secretary-General of UNCTAD pursuant to General Assembly resolution 32/175.

152. The General Assembly, in its resolution 33/155, took note of the report of the Group of High-Level Governmental Experts, and requested the Conference at its fifth session to recommend international policy measures to combat the world inflationary phenomenon, as apparent in the decline of some of the major currencies, and to eliminate the economic and social effects of internationally transmitted inflation on developing countries, taking into account the conclusions and recommendations contained in the report of the Group of Experts.

47/ See part one, section A, above, Other decision (i). For the text of this draft resolution, see annex I below, section C.

VII. TECHNOLOGY

(Agenda item 13)

153. This item was referred to Negotiating Group V for consideration and report. 48/

A. International code of conduct on the transfer of technology (item 13 (a))

154. Under this subitem, the Conference had before it the relevant Part of a report by the UNCTAD secretariat entitled "Technology: restructuring the legal and juridical environment: issues under negotiation" (TD/237), and an addendum thereto (TD/237/Add.1) updating the main report with specific reference to the negotiations on an international code of conduct on the transfer of technology. The Conference also had available to it the text of the draft International Code of Conduct as at 9 March 1979 (TD/CODE TOT/14 and Corr.1).

155. The Conference also had before it the position of the Group of 77 on this subitem as set out in the Arusha Programme (TD/236, pp.62-63).

156. At the 171st meeting, on 3 June 1979, the Chairman of Negotiating Group V introduced a draft decision (TD/L.173) concerning the international code of conduct on the transfer of technology, which Negotiating Group V had recommended for adoption by the Conference. He expressed regret that it had not proved possible in the Negotiating Group to reach agreement on the substantive aspects of the issue and that therefore the decision now before the Conference was only procedural in nature.

Action by the Conference

157. At the same meeting, the Conference, having first noted the statement of financial implications (TD/L.173/Add.1), 49/ adopted draft decision TD/L.173 without dissent. 50/

158. The spokesman for the Group of 77 expressed regret that no progress had been made during the Conference with respect to the international code of conduct on the transfer of technology. A major factor contributing to the absence of progress had not been an inability to reach agreement on issues but rather a refusal by one regional group to discuss any topic except one, and its insistence that only its own position should be discussed and accepted. While the Group of 77 respected the right of others to hold divergent views and realized that agreement was not always possible, it considered that a refusal to discuss was certainly not conducive to concurrence. For lack of progress at the Conference, the position of the Group of 77 remained as set out in the Arusha Programme, as updated in the light of negotiations at the resumed first session of the United Nations Conference on an International Code of Conduct on the Transfer of Technology.

48/ See part three, section G, below.

49/ This statement is reproduced in annex X below, appendix 2, section E.

50/ For the text of this decision, see part one, section A, above, decision 113 (V).

159. The spokesman for Group D, speaking also on behalf of Mongolia, said these countries shared the disappointment voiced by the spokesman for the Group of 77 regarding the lack of substantive progress on the main outstanding issues relating to the elaboration of the code of conduct. Group D and Mongolia had come to the Conference with the aim of negotiating positively and had submitted various substantive proposals on outstanding issues. They were willing to collaborate further with a view to contributing constructively to the fulfilment of the mandate given by the General Assembly to the United Nations Conference.

160. The spokesman for Group B said that his Group shared the disappointment of the Group of 77 that it had not proved possible to make substantive progress towards an agreement on the code of conduct. However, there had been a useful exchange of views on a number of important aspects of the code. These discussions would pave the way towards a satisfactory conclusion of the resumed negotiating Conference, where Group B hoped it would be possible to reach final agreement on all outstanding issues. In this connexion, he drew attention to a statement made by the States members of Group B other than Turkey in Negotiating Group V to the effect that these States continued to believe that a code consisting of voluntary guidelines, coupled with an effective international institutional machinery and provision for review and revision of the code, represented a serious and substantial compromise proposal by the States members of Group B. In conclusion, he stated that the preparatory meeting that was now to precede resumption of the United Nations Conference should provide a useful basis for further work in this area.

B. Contribution of UNCTAD to the economic, commercial and development aspects of the industrial property system in the context of its ongoing revision

(item 13 (b))

161. Under this subitem, the Conference had before it the relevant Part of a report by the UNCTAD secretariat entitled "Technology: restructuring the legal and juridical environment: issues under negotiation" (TD/237).

162. The Conference also had before it the position of the Group of 77 on this subitem as set out in the Arusha Programme (TD/236, pp.63-64).

163. At the 169th meeting, on 30 May 1979, the President drew attention to a draft resolution (TD/L.152) on this issue, which Negotiating Group V had recommended for adoption by the Conference.

Action by the Conference

164. At the same meeting, the Conference adopted draft resolution TD/L.152 without dissent. 51/

165. The Chairman of Negotiating Group V stated, with respect to the resolution just adopted, that it had been the understanding of all representatives in the Negotiating Group that the reaffirmation of Conference resolution 88 (V) in paragraph 1 of the text meant the reaffirmation of that resolution as a whole.

51/ For the text of this resolution, see part one, section A, above, resolution 101 (V).

C. Strengthening the technological capacity of the developing countries including accelerating their technological transformation (item 13 (c))

166. Under this subitem, the Conference had before it a report by the UNCTAD secretariat entitled "Towards the technological transformation of the developing countries" (TD/238 and Corr.1), accompanied by a supporting document entitled "Technology planning in developing countries" (TD/238/Supp.1).

167. At its tenth special session, the Board took note of a document prepared by the UNCTAD secretariat in response to paragraph 6 of resolution 6 (II) adopted by the Committee on Transfer of Technology at its second session, 52/ entitled "Transfer and development of technology in individual sectors and areas" (TD/B/741), and decided to transmit it to the Conference for consideration. 53/

168. Also before the Conference was a document prepared in response to paragraph 10 of resolution 6 (II) of the Committee on Transfer of Technology, reporting on the activities and future resource requirements of the Advisory Service on Technology (TD/238/Supp.2 and Corr.1), and containing proposals, as called for by the Board at its tenth special session, 54/ regarding ways and means, including from within existing resources, of making the Advisory Service more effective.

169. The Conference also had before it the position of the Group of 77 on this subitem as set out in the Arusha Programme (TD/236, pp.65-67).

170. At the 171st meeting on 3 June 1979, the Chairman of Negotiating Group V introduced a draft resolution (TD/L.172) on strengthening the technological capacity of developing countries including accelerating their technological transformation, which Negotiating Group V had recommended for adoption by the Conference.

Action by the Conference

171. At the same meeting, the Conference, having first noted the statement of financial implications (TD/L.172/Add.1), 55/ adopted draft resolution TD/L.172 without dissent. 56/

172. The spokesman for Group B, speaking on behalf of the States members of Group B other than Turkey, said that Group B welcomed the consensus reached on the resolution just adopted as it believed that strengthening the technological capacity of developing countries was an essential element in the economic development of such countries. It also believed that the resolution provided opportunities for practical development-oriented co-operation in the field of technology. If further work on this issue within the United Nations system was to proceed effectively, it would be important to avoid duplication of work within the system and to preserve the competence of each body.

52/ TD/B/C.6(II)/Misc.4 and Corr.1, annex I.

53/ TD/B/744, paragraph 54.

54/ TD/B/744, paragraph 55.

55/ This statement is reproduced in annex X below, appendix 2, section D.

56/ For the text of this resolution see part one, section A, above, resolution 112 (V).

173. He added that, in affirming its support for the resolution, Group B wished to record its views regarding certain of the provisions of the resolution. With respect to paragraphs 23 and 24, Group B's position regarding the possible approval by the Board or by the Committee on Transfer of Technology of the convening of groups of experts would be determined by its judgement, based on documentation submitted to those bodies, as to the need, priority, feasibility and financial implications of convening such expert groups. With respect to paragraph 27, Group B expected that the study called for in that paragraph would not include examination of the feasibility of setting up a technology fund. With respect to paragraphs 37 and 38, Group B remained convinced that the elaboration of a comprehensive global strategy for the technological transformation of developing countries would not be a feasible undertaking. Thus, the only operational implication of those paragraphs was that, in co-operation with other United Nations bodies and in the light of the United Nations Conference on Science and Technology for Development, the Secretary-General of UNCTAD should submit to the Board his proposals for an outline of UNCTAD's contribution to the technology aspects of the Third United Nations Development Decade. With respect to paragraph 36, Group B attached importance to the Advisory Service being provided with sufficient resources to enable it to perform its functions efficiently within its mandate. In this connexion, voluntary financial and other contributions could play a significant part and certain Group B countries were making such contributions. However, acceptance by consensus of that paragraph did not imply acceptance of a commitment by the States members of Group B.

174. Group B had noted with interest the statement of financial implications (TD/L.172/Add.1) of the resolution but had not had time to examine it fully. The statement contained cost estimates for staff and other requirements which appeared excessive and also in some instances reflected contingencies which might not arise. Accordingly, Group B reserved its position in the matter which it would pursue in due course with a view to ensuring the most effective use of the limited financial resources available to UNCTAD and to the United Nations as a whole. Consequently Group B's approval of the resolution should not be taken as constituting an endorsement of the estimates contained in the statement of financial implications.

175. The spokesman for Group D, speaking also on behalf of Mongolia, said that these countries supported the resolution just adopted, which marked an important contribution towards strengthening the technological capability and accelerating the technological transformation of developing countries. They were, however, concerned regarding the extremely high level of financial implications reported by the secretariat in its statement (TD/L.172/Add.1), as they were convinced that the main part of the work called for in the resolution could be performed within existing financial and staff resources and that additional expenditure under the United Nations budget should be minimized through more active efforts to secure outside funds, including voluntary contributions. Accordingly, they urged the UNCTAD secretariat to revise its estimates and adjust them to the real needs arising in connexion with the implementation of the resolution, and to report thereon to the Board at its nineteenth session. He added that the successful implementation of the resolution depended to a large extent on the effectiveness of the secretariat's work and on closer co-ordination and co-operation with the other bodies of the United Nations system mentioned therein. The Advisory Service should be an integral part of United Nations machinery in the area of technology.

176. The spokesman for Group D and Mongolia stated that these countries were guided by the approach outlined above with respect to all the statements of financial implications circulated in connexion with the resolutions of the Conference.

D. Development aspects of the reverse transfer of technology (item 13 (d))

177. Under this subitem, the Conference had before it a report by the UNCTAD secretariat entitled "Technology: development aspects of the reverse transfer of technology" (TD/239).

178. At its tenth special session, in decision 183 (S-X), the Board took note of resolution 7 (II) of the Committee on Transfer of Technology, in which the Committee had endorsed the agreed conclusions and recommendations of the Group of Governmental Experts on Reverse Transfer of Technology (TD/B/C.6/28-TD/B/C.6/AC.4/1) and endorsed the recommendations contained in paragraphs 3, 4 and 5 of that resolution, bearing in mind General Assembly resolution 33/151, in which, inter alia, the Assembly had urged all member States to give urgent consideration at the fifth session of the Conference to the elaboration of measures on the development aspects of the reverse transfer of technology.

179. The Conference also had before it under this subitem the position of the Group of 77 as set out in the Arusha Programme (TD/236, pp.67-68).

180. At the 169th meeting, on 30 May 1979, the President drew attention to a draft resolution (TD/L.155) on development aspects of the reverse transfer of technology, which Negotiating Group V had recommended for adoption by the Conference.

Action by the Conference

181. At the same meeting, the Conference, having first noted the statement of financial implications (TD/L.155/Add.1), 57/ adopted draft resolution TD/L.155 without dissent. 58/

182. The Chairman of Negotiating Group V stated that the representatives of the States members of Group D and of Mongolia in the Negotiating Group had asked him to inform the Conference that they accepted draft resolution TD/L.155 guided by the strong conviction that all recommendations embodied in the resolution should be considered in the context of their constant approach to the final United Nations goal in this area, namely, eventual international recognition of the principle of compensation for the developing countries that experienced an outflow of their skilled professionals, by the countries admitting such immigrants. To that end, they felt that the substance and language of the resolution might have been stronger, more specific and far-reaching, particularly taking into account that the mandate given by the General Assembly to the Conference in its resolution 33/151 was to elaborate practical measures in this area, and not simply consider the appropriateness of such measures.

183. The Chairman of Negotiating Group V also stated, on behalf of the spokesman for the Group of 77 on this subitem, that the adoption of the resolution by consensus marked an important turning-point in the area of reverse transfer of technology. It represented a recognition by the international community of the importance of the issues involved and the need for evolving a comprehensive

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57/ This statement is reproduced in annex X below, appendix 2, section A.

58/ For the text of this resolution, see part one, section A, above, resolution 102 (V).

approach on the subject. The Group of 77 recognized that the problem of reverse transfer of technology was multi-dimensional; but the adoption of the resolution by consensus also underscored the fact that the issues impinged on developmental questions as well. It was in the area of development aspects of reverse transfer of technology that the Group of 77 felt that UNCTAD had a major role to play. This had also been recognized by the General Assembly in its resolution 33/151 of 20 December 1978. Furthermore, the Group of 77 was glad to note that an attempt had been made in the resolution to spell out in some detail measures that were required to deal with the problems by the developed countries, the developing countries and the international community, and expected that, in the period ahead, UNCTAD's work would concentrate on elaborating measures that needed to be taken and examining their feasibility.

184. The spokesman for Group B, speaking on behalf of the States members of Group B other than Turkey, recognized the problems that the brain-drain raised for several developing countries, and recognized a role for UNCTAD in the area of development aspects of the reverse transfer of technology. But, in view of the multifaceted nature of the issue, Group B continued to doubt whether UNCTAD should undertake a leading role within the United Nations system in further consideration of the matter. As regards paragraph 9.B (ii) of the resolution, he stated that measures related to social security, pension rights, currency control, tax policies and remittances were matters within national competence, and that the appropriateness, feasibility and usefulness of these measures would be considered in the light of States' legislation and internal social and economic policies. He added that the adoption of the resolution by consensus should not lead to the assumption that the position of Group B had changed in so far as the question of compensation for the brain-drain was concerned. Group B did not believe that this highly complex phenomenon - the full dimensions of which had not yet been determined - could be remedied by compensatory means.

185. The spokesman for Group B, referring to the statement of financial implications (TD/L.155/Add.1) concerning the estimated direct cost of the resolution, reiterated his Group's general reservation in this regard. 59/

59/ See paragraph 103 above.

VIII. SHIPPING

(Agenda item 14)

106. This item was referred to Negotiating Group V for consideration and report. 60/

A. Developments pertaining to the Convention on a Code of Conduct for Liner Conferences

(item 14 (a))

107. Under this sub-item, the Conference had before it a report by the UNCTAD secretariat entitled "Status of the Convention on a Code of Conduct for Liner Conferences" (TD/225).

108. In this connexion, the attention of the Conference was drawn to the declaration made by the Group of 77 in support of the entry into force of the Convention, as set out in the Arusha Programme (TD/236, pp. 69-70).

109. At the 170th plenary meeting, on 1 June 1979, the President drew attention to a draft resolution (TD/L.163) on developments pertaining to the Convention on a Code of Conduct for Liner Conferences, which Negotiating Group V had recommended for adoption by the Conference.

Action by the Conference

110. At the same meeting, the Conference, having first noted the statement of financial implications (TD/L.163/Add.1), 61/ adopted draft resolution TD/L.163 without dissent. 62/

B. Participation of developing countries in world shipping and the development of their merchant marines

(item 14 (b))

111. Under this sub-item, the Conference had before it a report by the UNCTAD secretariat entitled "Merchant fleet development" (TD/222), accompanied by the following supporting papers: "Beneficial ownership of open-registry fleets" (TD/222/Supp.1); "Merchant fleet development: Statistical annexes on cargo flows" (TD/222/Supp.2); "The maritime transport of hydrocarbons" (TD/222/Supp.3); "Comparative labour costs" (TD/222/Supp.4); "Trade routes of open registry vessels" (TD/222/Supp.5); and "Review of trends 1977/78" (TD/222/Supp.6).

112. In accordance with the decision of the Board at its eighteenth session, 63/ the Conference also had before it the report of the Ad hoc Intergovernmental Working Group on the Economic Consequences of the Existence or Lack of a Genuine Link between Vessel and Flag of Registry (TD/B/C.4/177), under cover of a note by the UNCTAD secretariat (TD/L.139).

60/ See part three, section C, below.

61/ The text of this statement is reproduced in annex X below, appendix 2, section C.

62/ For the text of this resolution, see part one, section A above, resolution 106 (V).

63/ See Official Records of the General Assembly, Thirty-third session, Supplement No. 15 (A/33/15) Vol. II, paragraph 446.

193. The Conference also had before it the position of the Group of 77 on this sub-item as set out in the Arusha Programme (TD/256, pp. 70-75), and a statement submitted by Bulgaria, Byelorussian S.S.R, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, Poland, Ukrainian S.S.R and U.S.S.R (TD/267).

194. At the 171st meeting, on 7 June 1972, the representative of Cuba introduced a draft resolution (subsequently issued as TD/L.191) on the participation of developing countries in world shipping and the development of their merchant marines, and a draft resolution (subsequently issued as TD/L.192) on ship financing and technical assistance, which he had submitted on behalf of the States members of the Group of 77.

195. The spokesman for the Group of 77, recalling the statement made by the President of the Ivory Coast that the path to economic liberation passed across the sea, said that, for the third world, the question of shipping was not just one aspect of general economic life, as it was in many developed countries, it was one of the basic foundations and vital mechanisms that must be approached in an effective manner, otherwise the elaboration and implementation of national planning and development policies on consistent and viable bases would be endangered. In the developing countries, which, for the most part, were open to the international market and in which the domestic or subregional market was either too small or insufficiently integrated, the development effort was greatly dependent on the outside: the developing countries still exported most of what they produced and imported most of what they consumed for development needs. Since the horizontal economic relationships between the developing countries were still very weak, these countries, which historical accident had placed mainly in the southern hemisphere, were for the most part dominated by vertical north/south relationships which necessarily operated over great distances across the ocean. Hence the establishment of adequate and effective shipping links suited to the needs of their economies, and the building up of the necessary structures, were urgently necessary for the developing countries, as without them the overall operation of their economies could not be secured. In this connection, he recalled Conference resolution 70 (III) in which the Conference had noted the objective that shipping lines of developing countries should have an increasing and substantial participation in the carriage of cargoes generated by their foreign trade. The new order which that resolution had aimed at establishing on the sea was inseparable from the New International Economic Order. Moreover, the General Assembly, in its resolution 3202 (S-VI) had emphasized the efforts to be undertaken in order to promote the harmonious maritime development of the third world.

196. He went on to say that while developing country exports accounted for 61 per cent of world sea-borne cargo, the countries owned only 5 per cent of world tonnage. In this connection, a distinction must be made between liner traffic, which accounted for 20 per cent of world cargo, and dry and liquid bulk traffic which accounted for the remaining 80 per cent. The Convention on a Code of Conduct for Liner Conferences adopted within UNCTAD in April 1974, which was soon to enter into

force, in particular as a result of the decision taken by the USSR and the German Democratic Republic to become contracting parties, and given the likelihood of early ratification by the States members of the EEC and other industrialized countries, provided the general framework within which the liner fleets of the third world should develop harmoniously while respecting the legitimate interests of all partners. He noted that the share of the developing countries in bulk traffic, in respect of which they accounted for one third of dry bulk cargo and 90 per cent of liquid bulk cargo, represented barely 6 per cent of world tonnage. That represented a situation of disequilibrium which was harmful to the developing countries and should be corrected in accordance with the relevant resolutions adopted by the international community, on the basis of a frank dialogue among the partners and a pragmatic and flexible approach of the kind required by the special nature of bulk traffic. Draft resolution TD/L.191 now before the Conference was aimed at laying the foundations for fair and long-term co-operation between the third world and the industrialized countries in order to make it possible to increase the developing countries' share in bulk carriage in a gradual manner through dialogue and "concertation" and with respect for mutual interests. Any notion of unilateral action was fundamentally absent from the draft, as the third world wished to promote its shipping with rather than against its developed country partners. Draft resolution TD/L.191 also dealt with the question of open registry, as open-registry fleets currently represented one third of world shipping and were growing at an annual rate of 6 per cent. Given the desire expressed by a number of countries, including developing countries, for the gradual phasing out of the open-registry régime, in particular by the gradual increase of participation by flag States in effective ownership of, and the provision of national crews for, open-registry shipping, it seemed advisable to undertake the necessary studies, the conclusion of which should enable the international community to take a final decision on the question of the phasing out of the open-registry system. The other draft resolution (TD/L.192) before the Conference concerned measures to be taken at the international, financial and multilateral levels in regard to technical and financial assistance for the promotion of the development of the fleets of the developing countries. The countries of the third world were particularly concerned by the issues raised in this draft resolution and in draft resolution TD/L.191 because they were convinced that the New International Economic Order, which should enable them to enjoy a better standard of living, necessarily passed across the sea. They felt that a new balance in international shipping activities would serve the interests of the entire international community, insofar as it would promote the expansion of trade in both directions between developing countries and the industrialized nations. Without the development in depth of the developing countries - and such development was inseparable from the promotion of their shipping activities, in other words, the new international maritime order - there could not be an effective and durable revival of the world economy and of world trade which was necessary for the expansion and redeployment of the economies of the developed countries.

Action by the Conference

157. At the 171st meeting, on 7 June 1979, the Conference, having first noted the statement of financial implications, 6/ adopted draft resolution TD/L.191 7/ by a roll-call vote of 91 votes to 23, with 9 abstentions. 8/

6/ This statement is reproduced in annex V below, appendix 2, section B.

7/ For the text of the resolution, see Part One, Section I, above, resolution 120 (V).

8/ The result of the voting was as follows:

In favour: Afghanistan; Algeria; Argentina; Bahrain; Bangladesh; Barbados; Bhutan; Brazil; Burma; China; Colombia; Comoros; Congo; Cuba; Democratic Kampuchea; Democratic Yemen; Djibouti; Dominican Republic; Ecuador; Egypt; Ethiopia; Fiji; Gabon; Ghana; Guatemala; Guinea; Guinea-Bissau; India; Indonesia; Iran; Iraq; Ivory Coast; Jamaica; Kenya; Lesotho; Liberia; Libyan Arab Jamahiriya; Madagascar; Malawi; Malaysia; Mali; Malta; Mauritius; Mexico; Morocco; Mozambique; Nepal; Niger; Nigeria; Oman; Pakistan; Peru; Philippines; Qatar; Republic of Korea; Rumania; Rwanda; Sao Tome and Principe; Saudi Arabia; Senegal; Singapore; Somalia; Sri Lanka; Sudan; Swaziland; Syrian Arab Republic; Thailand; Togo; Trinidad and Tobago; Tunisia; Turkey; Uganda; United Arab Emirates; United Republic of Tanzania; Uruguay; Venezuela; Viet Nam; Yemen; Yugoslavia; Zaire; Zambia.

Against: Australia; Austria; Belgium; Canada; Denmark; Finland; France; Germany, Federal Republic of; Greece; Ireland; Israel; Italy; Japan; Luxembourg; Netherlands; New Zealand; Norway; Portugal; Spain; Sweden; Switzerland; United Kingdom of Great Britain and Northern Ireland; United States of America.

Abstentions: Bulgaria; Byelorussian Soviet Socialist Republic; Czechoslovakia; German Democratic Republic; Hungary; Mongolia; Poland; Ukrainian Soviet Socialist Republic; Union of Soviet Socialist Republics.

190. At the same meeting, the Conference, having first noted the statement of financial implications, 67/ adopted draft resolution TD/L.192 68/ by a roll-call vote of 91 votes to 0, with 25 abstentions. 69/

199. The representative of Liberia said that his country had supported resolution 120 (V) just adopted on the understanding that paragraph 10 (a) thereof was designed to give a mandate to the UNCTAD secretariat to conduct studies with a view to taking a decision on the desirability of phasing out open-registry operations, and that paragraph 10 (b) mandated the UNCTAD secretariat, in consultation with other related agencies, to study the feasibility of establishing, but did not mandate the UNCTAD secretariat to establish, a legal mechanism for regulating the operations of open-registry fleets. Liberia realized that such studies had been requested owing to the concern of some developing countries regarding the impact of open-registry operations on their economies and as a result of certain unfortunate experiences involving sub-standard open-registry vessels. His Government would not hesitate to review its maritime laws should it be conclusively and objectively proved that open-registry operations were detrimental to the economies of developing countries and to international sea-borne trade as a whole.

200. The spokesman for Group D said that the members of his Group had abstained in the voting on resolution 120 (V) in line with their views as set out in document TD/264. Discussions under agenda item 14 (b) had shown that the monopolization of the carriage of commodities by the fleets of transnational corporations under open-registry flags continued to expand. Shipowners operating under open-registry flags also dominated freight markets beyond the confines of the

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67/ This statement is reproduced in annex X below, appendix 2, section I.

68/ For the text of the resolution, see part one, section A above, resolution 121 (V)

69/ The result of the voting was as follows:

In favour: Afghanistan; Algeria; Argentina; Bahrain; Bangladesh; Barbados; Bhutan; Brazil; Bulgaria; Burma; Byelorussian Soviet Socialist Republic; China; Colombia; Comoros; Congo; Cuba; Czechoslovakia; Democratic Kampuchea; Democratic Yemen; Djibouti; Dominican Republic; Ecuador; Egypt; Ethiopia; Fiji; Gabon; German Democratic Republic; Ghana; Guatemala; Guinea; Guinea-Bissau; Hungary; India; Indonesia; Iran; Iraq; Ivory Coast; Jamaica; Kenya; Lesotho; Liberia; Libyan Arab Jamahiriya; Madagascar; Malawi; Malaysia; Mali; Malta; Mauritius; Mexico; Mongolia; Morocco; Mozambique; Nepal; Niger; Nigeria; Oman; Pakistan; Peru; Philippines; Poland; Qatar; Republic of Korea; Romania; Rwanda; Sao Tomo and Principe; Saudi Arabia; Senegal; Singapore; Somalia; Sri Lanka; Sudan; Swaziland; Syrian Arab Republic; Thailand; Togo; Tonga; Trinidad and Tobago; Tunisia; Turkey; Uganda; Ukrainian Soviet Socialist Republic; Union of Soviet Socialist Republics; United Arab Emirates; United Republic of Tanzania; Uruguay; Venezuela; Viet Nam; Yemen; Yugoslavia; Zaire; Zambia.

Against: None.

Abstaining: Australia; Austria; Belgium; Canada; Denmark; Finland; France; Germany, Federal Republic of; Greece; Ireland; Israel; Italy; Japan; Luxembourg; Netherlands; New Zealand; Norway; Portugal; Spain; Sweden; Switzerland; United Kingdom of Great Britain and Northern Ireland; United States of America.

transport activities of transnational corporations. Such negative factors, which created difficulties for the developing countries in developing their own merchant fleets to a level capable of guaranteeing the independence, in terms of transport, of their foreign trade, were aggravated by the surplus crisis of the world merchant fleet. Shipowners in the developed capitalist countries and the transnational corporations at present controlled some 85 per cent of world tonnage through national fleets and through open-registry flags. There was thus no doubt that the depression in the freight market was a direct result of uncontrollable processes of the capitalist method of production which were seriously harming the development of international relations in world shipping. Clearly, the present circumstances, which prevented the equitable participation of the developing countries in international shipping, would not improve of their own accord. UNCTAD's task was to stimulate positive changes in international economic relations in shipping on a just and equitable basis. While the Group B countries supported, on the whole, the developing countries' rightful aspiration for wider participation in international shipping, they emphasized that unilateral action by separate States or groups of States might have negative consequences both for other participants in international shipping and for the initiators of such action themselves. Measures aimed at bringing about an increasing and more substantial participation of developing countries in international shipping must be based on mutually agreed decisions guaranteeing their universal application. Unilateral actions in the area of shipping policy could only lead to the development of protectionism and restrictive business practices, which would cause additional harm both to shipping and to international trade as a whole. While they had abstained in the voting on resolution 120 (V), the Group B countries did feel it appropriate to continue discussions within UNCTAD on the question of bringing about an increasing and more substantial participation of developing countries in shipping, with a view to reaching a universal solution and developing a mechanism for its implementation.

201. The spokesman for Group B stated that, in the opinion of the States members of Group B, the most productive way in which the Conference could work was through consensus decisions. To that end, Group B had submitted a draft resolution on merchant fleet development to the Contact Group thus demonstrating its commitment to the objective of increasing competitiveness of developing country fleets. That draft had contained positive measures of assistance and co-operation in a number of maritime activities. In addition, Group B had indicated its willingness to discuss with the developing countries any specific barriers they had encountered in seeking to enter the tramp and bulk trades. Group B deeply regretted that a decision through consensus had not been possible in this area. Group B had been compelled to vote against resolution 120 (V) because its proposals were in direct opposition to the freely competitive environment which was an essential feature of the bulk market. The introduction of cargo-sharing in the bulk trade would substantially increase transportation costs and would have a serious effect on the trading interests of all countries, including developing countries. Group B had also felt that the proposals in the resolution on air transport were inappropriate under this agenda item.

202. Group B had noted that the growth of open-registry fleets was a subject of concern to many developing and developed countries and had called on the UNCTAD secretariat, in consultation with other related agencies, to study the repercussions of phasing out open registries, the economic and social impact on the economies of developing countries, the effects on world shipping, and how the phasing out of open registries would ensure simultaneous development of the merchant fleets of the developing countries, with a view to taking a decision on

the desirability of phasing out, and, without prejudice to the outcome of these studies, to study the feasibility of all possible legal mechanisms for regulating the operations of open-registry fleets, stressing the need to adopt such legislative measures as might enable all countries to ensure that sub-standard vessels did not operate to their disadvantage. Group B had also requested the Secretary-General of UNCTAD to reconvene the Ad hoc Intergovernmental Working Group for the purpose of considering these studies and submitting a report to the Committee on Shipping.

203. The spokesman for Group B said that his Group strongly supported in principle the provision of financial and technical measures to help developing countries to compete effectively in international shipping, as outlined in the Group B draft resolution on merchant fleet development submitted to the Contact Group. However, it had withheld its support from resolution 121 (V) on ship financing and technical assistance because of that resolution's close relationship to the proposals for cargo-sharing in the bulk trades upon which the regional groups had been unable to agree.

204. The representative of the Netherlands said that in the field of liner shipping, there had no doubt been a major development at the Conference. However, on the issue of bulk fleet development it had not been possible to find a solution for the divergencies of view. The negotiating situation had resulted in the positions taken by the Group B countries on the two resolutions just adopted, including their abstention in the voting on resolution 121 (V). The abstention of the Netherlands, however, did not mean that it had changed its positive attitude towards granting technical and financial assistance for fleet development. His Government would wish to assure developing countries that it considered financial and technical assistance for shipping as a major contribution in assisting developing countries to achieve an increasing participation in world bulk and tanker shipping.

205. The representative of Norway, said that his country, as other Group B countries, had abstained in the voting on resolution 121 (V) on ship financing and technical assistance, for the reasons expressed by the Group B spokesman. However, Norway regarded technical and financial assistance and the transfer of know-how to the developing countries in the maritime field as an essential element in promoting greater participation by these countries in world shipping. It had already made considerable efforts to this end and was determined to continue to do so in the future.

206. The representative of Sweden associated himself with the comments by the representative of Norway regarding the importance of specific measures of assistance to the developing countries within the shipping sector.

IX. LEAST DEVELOPED AMONG DEVELOPING COUNTRIES

Special measures in favour of the least developed among developing countries and further action aimed at improving their economic situation and accelerating their development (Agenda item 15)

207. Under this item, the Conference had before it a report by the Secretary-General of UNCTAD entitled "Outline for a substantial new programme of action for the 1980s for the least developed countries" (TD/240), accompanied by a supporting paper containing a compilation of basic data on the least developed countries (TD/240/Supp.1) - English and French only).

208. At its tenth special session, the Board took note of the report of the Ad hoc Group of Experts on the External Trade of the Least Developed Countries (TD/B/735) and decided to remit the basic conclusions and recommendations of the Group, summarized in paragraphs (i) - (xxiii) of its report, to the Conference for its consideration. 70/

209. The Conference also had before it the position of the Group of 77 on this item, as set out in the Arusha Programme (TD/236, pp. 74-82) and a document (TD/264 and Corr.1) submitted by Bulgaria, Byelorussian SSR, Czechoslovakia, German Democratic Republic, Hungary, Poland, Ukrainian SSR and USSR.

210. This item was referred to Negotiating Group VI for consideration and report. 71/

211. At the 171st meeting, on 5 June 1979, the President drew attention to a draft resolution (TD/L.175) on a Comprehensive New Programme of Action for the Least Developed Countries, which Negotiating Group VI had recommended for adoption by the Conference, and introduced a number of amendments to the text.

Action by the Conference

212. At the same meeting, the Conference having first noted the statement of financial implications (TD/L.175/Add.1), 72/ adopted draft resolution TD/L.175, as amended, without dissent. 73/

213. The spokesman for Group D said that the Group D countries had supported the resolution just adopted, in line with their understanding of the difficult situation of the least developed countries and consistent with their activities in granting co-operation and assistance, on the basis of respect of sovereignty and non-interference in domestic affairs, for the development of the economies of the least developed countries, as reflected in the document they had submitted on this subject to the Conference (TD/264). However, Group D wished to reserve its position on a number of provisions of the resolution. Part IV of the

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70/ See TD/B/744, paragraph 90.

71/ See part three, section G, below.

72/ This statement is reproduced in annex X below, appendix 2, section J.

73/ For the text of this resolution, see part one, section A, above, resolution 122 (V).

resolution did not take into account the position of principle and the approach of the Group D countries with respect to co-operation with the least developed countries. The Group D countries could not, for reasons of principle, assume any general financial obligations as to the granting of assistance to developing countries, including the least developed countries, over and above the obligations arising within the framework of agreements concluded between them and developing countries. This was the meaning which the Group D countries attached to the reference to the support of the international community for the economic development of the least developed countries used in particular in this section of the resolution. The future action of the Group D countries would be based on this position.

214. He added that, with respect to part X, Group D countries were of the opinion that the question of strengthening the unit of the UNCTAD secretariat dealing with the least developed among the developing countries and of making available "the necessary additional resources", and the proposal to transform this unit into a separate division could be examined only within the context of paragraph 12 of resolution 114 (V). With respect to the use in paragraphs 3 (a), 3(c), 5, 6 and 7, of the term "social needs", Group D countries felt that this term was defined in a very limited fashion and gave ground for different interpretations. The Group D countries considered that "social needs" included, in addition to such universal human requirements as nutrition, housing, education, public health, employment, such social matters as the implementation of progressive social and economic reforms, the creation and development of an independent national economy, the raising of the living standards of the poorest strata of the populations of least developed countries, and the broad involvement of the popular masses in solving the whole range of problems of national socio-economic development.

215. The representative of the United States said that his country supported the objectives and most of the specific proposals contained in the resolution just adopted. His Government attached great importance to the problems of the least developed countries and had taken major steps in recent years to increase its bilateral and multilateral assistance to these countries and to implement other measures to benefit them. It therefore welcomed the agreement reached on a Comprehensive New Programme of Action for the 1980s for those countries and looked forward to participating actively in the formulation and implementation of that Programme. It did, however, have reservations regarding paragraph 13 of the resolution in view of its well-known position regarding the 0.7 per cent target for official development assistance. While the United States was prepared to exert all efforts within its current budgetary constraints and constitutional system to increase its ODA, it could not commit itself to specific targets. The United States recognized that special, energetic and effective measures must be taken to ensure accelerated development of the least developed countries and expected rapidly to expand its assistance to those countries in the near future. In conclusion, he emphasized the importance attached by the United States to the integration of the preparation of the Comprehensive New Programme of Action with the international development strategy for the 1980s and the special session of the General Assembly on development to be held in 1980.

216. The representative of the United Kingdom, referring to section IV of the resolution relating to financial assistance requirements and policies, said that his country had the same reservations in this regard as it had with respect to resolution 129 (V). 74/

74/ See paragraph 129 above (agenda item 12 (b)).

217. In this connexion, the representative of Switzerland referred to this resolution in his comments made in connexion with the adoption of resolution 129 (V). 75/

Economic situation of the Republic of Djibouti

218. At the 171st meeting, on 3 June 1979, the President drew attention to a draft recommendation (TD/L.101) on the economic situation of the Republic of Djibouti, submitted by the Chairman of Negotiating Group VI.

Action by the Conference

219. At the same meeting, the Conference adopted draft recommendation TD/L.101 by 93 votes to none, with 20 abstentions. 76/

220. The representative of Australia said that his country had supported the recommendation just adopted because of its concern for Djibouti's economic future. However, it did not regard UNCTAD as the appropriate United Nations body to take a decision on the inclusion of Djibouti in the category of the least developed countries. Furthermore, it considered that the wording of the recommendation was not fully in conformity with its views regarding the proper procedure in such matters. Therefore, its support for the recommendation had been given on the understanding that its practical effect was a request that the appropriate United Nations body, namely the Committee for Development Planning, should examine sympathetically and make a decision on Djibouti's case for inclusion in the category of the least developed countries, in accordance with its established and objective criteria at the earliest possible time.

221. The representative of New Zealand associated himself with the comments of the representative of Australia.

222. The spokesman for Group D said that his Group considered the recommendation just adopted as a recommendation to the appropriate organ of the United Nations system to examine the question of including Djibouti in the category of the least developed countries in strict accordance with existing rules and procedures in the United Nations.

223. The spokesman for Group D said that, while his Group had the deepest sympathy for the grave economic problems of Djibouti, they had abstained in the voting because the eligibility of new applicants for inclusion in the category of the least developed countries was determined on the basis of complex and established criteria by the General Assembly upon the recommendation of the Committee for Development Planning. Group D hoped that the competent organs would consider the case of Djibouti with the greatest urgency, and would be guided by their conclusions.

75/ See paragraph 133 above (ibid.).

76/ For the text of this recommendation, see part one, section A, above, recommendation 113 (V).

X. LAND-LOCKED AND ISLAND DEVELOPING COUNTRIES (Agenda item 16)

224. This item was referred to Negotiating Group VI for consideration and report. 77/

A. Specific action related to the particular needs and problems of land-locked developing countries (item 16 (a))

225. Under this sub-item, the Conference had before it a report by the UNCTAD secretariat entitled "Specific action related to the particular needs and problems of land-locked developing countries: Issues for consideration" (TD/241).

226. The Conference also had before it the position of the Group of 77 on this sub-item as set out in the Arusha Programme (TD/236, pp. 85-87).

227. At the 171st meeting, on 7 June 1979, the President drew attention to a draft resolution (TD/L.179) on specific action related to the particular needs and problems of land-locked developing countries, which had been submitted by the Chairman of Negotiating Group VI for adoption by the Conference, and introduced a number of amendments thereto.

Action by the Conference

228. At the same meeting, the Conference adopted draft resolution TD/L.179, as amended, without dissent. 78/

229. The spokesman for Group B said that in agreeing to the resolution just adopted, Group B recognized the right of any country desiring to do so to contribute to the Special Fund for Land-Locked Developing Countries. In this connexion, he recalled that with the exception of one member, Group B had consistently abstained on the General Assembly resolutions (31/177, 32/113 and 33/145) dealing with that Special Fund, as they intended to channel their assistance to the land-locked developing countries through other existing bilateral and multilateral channels.

B. Specific action related to the particular needs and and problems of island developing countries (item 16 (b))

230. Under this sub-item, the Conference had before it a report by the UNCTAD secretariat entitled "Specific action related to the particular needs and problems of island developing countries: Issues for consideration" (TD/242).

77/ See part three, section G, below.

78/ For the text of this resolution, see part one, section A, above, resolution 123 (V).

231. The Conference also had before it the position of the Group of 77 as set out in the Arusha Programme (TD/236, pp. 87-91).

232. At the 171st meeting, on 3 June 1979, the President drew attention to a draft resolution (TD/L.170) on specific action related to the particular needs and problems of island developing countries, which Negotiating Group VI had recommended for adoption by the Conference.

233. The representative of Malta introduced a number of amendments to the draft resolution.

Action by the Conference

234. At the same meeting, the Conference adopted draft resolution TD/L.170, as amended, without dissent. 79/

235. The spokesman for Group D, speaking also on behalf of Mongolia, said that these countries supported the resolution just adopted and had an understanding attitude towards the particular needs and problems of island developing countries. The concrete and constructive suggestions on this question made by them in Negotiating Group VI were reflected in the text of the resolution. As regards paragraph 2 (c) of the resolution, the position of Group D countries and Mongolia on the question of foreign private investment was reflected in the document they had submitted under item 12 (b) on "The negative consequences of the activities of foreign private capital in developing countries" (TD/266).

79/ For the text of this resolution, see part one, section A, above, resolution 111 (V).

XI. TRADE RELATIONS AMONG COUNTRIES HAVING DIFFERENT ECONOMIC AND SOCIAL SYSTEMS AND ALL TRADE FLOWS RESULTING THEREFROM: Appropriate bilateral and multilateral action to expand and diversify further the trade flows among these countries and, in particular, measures which would contribute to the development of developing countries (Agenda item 17)

236. The Conference had before it under this item a report by the UNCTAD secretariat entitled "Trade relations among countries having different economic and social systems and all trade flows resulting therefrom" (TD/243 and Corr.1), accompanied by the following supporting papers: "Statistical review of trade among countries having different economic and social systems" (TD/243/Supp.1 and Corr.1); "Trade and economic relations between Latin American countries and countries members of CMEA" (TD/243/Supp.2); "Co-operation mechanism among countries having different economic and social systems" (TD/243/Supp.3); "Co-operation in planning between socialist countries of Eastern Europe and developing countries: the experience of the USSR" (TD/243/Supp.4 and Corr.1); "Tripartite industrial co-operation and co-operation in third countries" (TD/243/Supp.5 and Corr.1).

237. The Conference also had before it the position of the Group of 77 as set out in the Arusha Programme (TD/236, pp. 92-95).

238. This item was referred to Negotiating Group VII for consideration and report. 80/

239. At the 171st meeting, on 5 June 1979, the Chairman of Negotiating Group VII introduced a draft decision (TD/L.176) on trade relations among countries having different economic and social systems and all trade flows resulting therefrom, which he had submitted as a result of informal consultations following the completion of the work of Negotiating Group VII.

Action by the Conference

240. At the same meeting, the Conference adopted draft decision TD/L.176 without dissent. 81/ Under this decision, inter alia, the Conference referred two draft resolutions (subsequently issued as TD/L.189 and TD/L.190) which had been submitted in Negotiating Group VII to the Trade and Development Board at its nineteenth session (for the text of these draft resolutions, see annex I below, section A).

241. The representative of China, referring to the decision just adopted, reaffirmed the reservation made by his country in connexion with the adoption of Conference resolution 95 (IV). 82/

80/ See part three, section G, below.

81/ For the text of this decision, see part one, section A, above, decision 116 (V).

82/ Proceedings of the United Nations Conference on Trade and Development, Fourth session, Vol. I, Report and Annexes (United Nations publication, Sales No. E.76.II.D.10), part two, paragraphs 197-198.

XII. ECONOMIC CO-OPERATION AMONG DEVELOPING COUNTRIES

Consideration of UNCTAD's work programme on measures for strengthening economic co-operation among developing countries

Recommendations for improved institutional arrangements to promote and strengthen economic co-operation among developing countries

Measures of support for closer economic co-operation among developing countries
(Agenda item 10)

242. Under this item, the Conference had before it a report by the UNCTAD secretariat entitled "Economic co-operation among developing countries: priority areas for action - issues and approaches" (TD/244), accompanied by a supporting paper entitled "Economic co-operation among developing countries: supplementary material and considerations relating to priority areas for action" (TD/244/Supp.1).

243. At its tenth special session, the Board took note 83/ of an oral report by the Secretary-General of UNCTAD on the consultations he had undertaken pursuant to paragraph 7 of General Assembly resolution 33/195 concerning the organizing and convening during 1979 of meetings in order to promote the objectives of economic co-operation among developing countries.

244. The Conference had before it the Arusha Programme for Collective Self-Reliance (TD/236, pp. 7-24), containing a First Short Medium-Term Action Plan for Global Priorities on Economic Co-operation among Developing Countries.

245. The position of the Group of 77 with respect to this agenda item was also before the Conference as set out in the Arusha Programme (TD/236, pp. 96-99).

246. Under this item, the Conference had before it a proposal submitted by the Government of Israel on "A Forum for Trade with Developing Countries" (TD/248).

247. This item was referred for consideration and report to Negotiating Group VIII. 84/

248. At the 171st meeting, on 5 June 1979, the President drew attention to a draft resolution (TD/L.182) on economic co-operation among developing countries, which Negotiating Group VIII had recommended for adoption by the Conference, and introduced a number of amendments thereto.

83/ See TD/B/744, paragraph 61.

84/ See part three, section G, below.

Action by the Conference

249. At the same meeting, the Conference after first having noted the statement of financial implications (TD/L.182/Add.1), 85/ adopted draft resolution TD/L.182, as amended, without dissent. 86/

250. The spokesman for Group D said that Group D countries were sympathetic to the concept of collective self-reliance, primarily as an instrument for economic decolonization. They considered that measures to develop mutual economic co-operation among developing countries must be based on respect for sovereignty, and that the involvement of UNCTAD in such measures must take place within the limits of its competence and without prejudice to its work on other issues. While in general Group D supported the resolution just adopted, it had substantive reservations with respect to certain provisions which concerned the programme of work of UNCTAD and the role of the UNCTAD secretariat in organizing meetings on questions related to economic co-operation among developing countries. In particular, paragraph 13 of the resolution contained a vague provision concerning measures to be taken by the Secretary-General of UNCTAD, the scope and nature of which were not defined sufficiently clearly. In addition, paragraph 15 requested the Board to decide on the convening and the organization of an undefined number of meetings of governmental experts of developing countries, as well as of other countries if they so wished. Because these provisions were not sufficiently well-defined, Group D feared an unjustified proliferation of secretariat activities, some of which might not be necessary and might even be inconsistent with the basic principles of the concept of collective self-reliance. Furthermore, the cost of such activities would place an additional burden on the already strained budget of UNCTAD. Accordingly, Group D did not consider itself bound by the provisions in paragraphs 13 and 15 of the resolution and would have voted against them had they been put to the vote separately.

85/ This statement is reproduced in annex X below, appendix 2, section II.

86/ For the text of this resolution, see part one, section A, above, resolution 127 (V).

XIII. INSTITUTIONAL ISSUES

Consideration of measures to enable UNCTAD to carry out its role more effectively, including the rationalization and restructuring of its permanent machinery (Agenda item 19)

251. Under this item, the Conference had before it a report by the UNCTAD secretariat entitled "Measures to enable UNCTAD to carry out its role more effectively" (TD/245 and Corr.1).

252. The Conference also had before it two draft resolutions submitted on behalf of the States members of the Group of 77: "Rationalization and structuring of the permanent machinery of UNCTAD" (TD/B/L.512), and "documentation problems and their effect on the work programme of UNCTAD" (TD/B/L.520), which were referred by the Board at its tenth special session to the Conference for consideration under this item. 87/

253. Also before the Conference under this item was the position of the Group of 77 as set out in the Arusha Programme (TD/236, pp. 100-101).

254. This item was referred to Negotiating Group I for consideration and report. 88/

1. Institutional issues

255. At the 171st meeting, on 3 June 1979, the President drew attention to a draft resolution (TD/L.174 and Corr.1) on institutional issues, which had been recommended by Negotiating Group I for adoption by the Conference.

Action by the Conference

256. At the same meeting, the Conference, having first noted the statement of financial implications (TD/L.174/Add.1), 89/ adopted draft resolution TD/L.174 and Corr.1 without dissent. 90/

257. The Conference also decided to remit the draft proposal submitted on behalf of the Group of 77 on "Documentation problems and their effect on the work programme of UNCTAD" (TD/B/L.520) to the Board for its consideration. 91/

87/ See TD/B/744, paragraphs 65 and 99, and annex III.

88/ See part three, section C, below.

89/ This statement is reproduced in annex X below, appendix 2, section F.

90/ For the text of this resolution, see part one, section A, above, resolution 114 (V).

91/ See part one, section A, above, Other decision (s). The text of this draft proposal is reproduced in annex I below, section B.

258. Draft resolution TD/D/L.512 was withdrawn by its sponsors.

259. The representative of Belgium said that his country considered that the resolution just adopted marked an important step forward in increasing the effectiveness of UNCTAD as an organ of the General Assembly. The role of UNCTAD as a major forum for deliberation, negotiation, review and implementation in the field of international trade and related issues of international economic co-operation had continued to increase in recent years. UNCTAD had been able to exercise such a role owing to the flexible mandate conferred on it by General Assembly resolution 1995 (XIX) and Conference resolution 90 (IV). Belgium also welcomed the fact that the measures outlined in sections II and III of the resolution concerning rationalization and operational flexibility were in line with the spirit of General Assembly resolution 32/197 on the restructuring of the economic and social sectors of the United Nations, for Belgium attached particular importance to the fair implementation of that resolution.

2. Use of the Arabic language

260. At the 171st meeting, on 3 June 1979, the President drew attention to a draft resolution (TD/L.171) on the use of the Arabic language which Negotiating Group I had recommended for adoption by the Conference.

Action by the Conference

261. At the same meeting, the Conference, having first noted the statement of financial implications thereof (TD/L.171/Add.1), 92/ adopted draft resolution TD/L.171 without dissent. 93/

262. The representative of the United States said that, while his country had joined in the consensus on the resolution just adopted, it wished to reiterate its reservation concerning General Assembly resolution 32/205, a reservation which reflected its broad policy position on United Nations budgetary considerations.

92/ This statement is reproduced in annex X below, appendix 2, section G.

93/ For the text of this resolution, see part one, section A, above, resolution 115 (V).

XIV. OTHER MATTERS

(Agenda item 20)

A. Particular problems facing Zaire with regard to transport, transit and access to foreign markets

263. At the 169th meeting, on 30 May 1979, the representative of Cuba introduced a draft resolution (TD/L.156) on the above issue which he had submitted on behalf of the States members of the Group of 77.

264. At the 171st meeting, on 3 June 1979, the representative of Cuba introduced a number of amendments to draft resolution TD/L.156.

Action by the Conference

265. At the same meeting, the Conference adopted draft resolution TD/L.156, as amended, without dissent. 94/

B. The economic situation of Tonga

266. At the 170th meeting, on 1 June 1979, the representative of Cuba introduced a draft recommendation on the economic situation of Tonga (TD/L.165) which he had submitted on behalf of the States members of the Group of 77.

Action by the Conference

267. At the 171st meeting, on 3 June 1979, the Conference adopted draft recommendation TD/L.165 by 85 votes to none, with 20 abstentions. 95/

268. The representative of Australia said that his country had supported the recommendation just adopted because of its concern for Tonga's economic future. However, it did not regard UNCTAD as the appropriate United Nations body to take a decision on the inclusion of Tonga in the category of the least developed countries. Furthermore, it considered that the wording of the recommendation was not fully in conformity with its views regarding the proper procedure in such matters. Therefore, its support for the recommendation had been given on the understanding that its practical effect was a request that the appropriate United Nations body, namely the Committee for Development Planning, should examine sympathetically and make a decision on Tonga's case for inclusion in the category of the least developed countries, in accordance with its established and objective criteria at the earliest possible time.

269. The representative of New Zealand associated himself with the comments of the representative of Australia.

94/ For the text of this resolution, see part one, section A, above, resolution 110 (V).

95/ For the text of this recommendation, see part one, section A, above, recommendation 117 (V).

270. The spokesman for Group D said that his Group considered the recommendation just adopted as a recommendation to the appropriate organ of the United Nations system to examine the question of including Tonga in the category of the least developed countries in strict accordance with existing rules and procedures in the United Nations.

271. The spokesman for Group B said that, while his Group had the deepest sympathy for the grave economic problems of Tonga, they had abstained in the voting because the eligibility of new applicants for inclusion in the category of the least developed countries was determined on the basis of complex and established criteria by the General Assembly upon the recommendation of the Committee for Development Planning. Group B hoped that the competent organs would consider the case of Tonga with the greatest urgency, and would be guided by their conclusions.

C. Offer of the Republic of Cuba to host the sixth session of the Conference

272. At the 170th meeting, on 1 June 1979, the representative of Cuba introduced a draft resolution (TD/L.160/Rev.2) which he had submitted on behalf of States members of the Group of 77, concerning the offer of his country to host the sixth session of the Conference.

Action by the Conference

273. At the same meeting, the Conference adopted draft resolution TD/L.160/Rev.2 without dissent. 96/

D. Exploitation of the resources of the sea-bed

274. At the 170th meeting, on 1 June 1979, the representative of Cuba introduced a draft resolution (TD/L.159) on the exploitation of the resources of the sea-bed, which he had submitted on behalf of the States members of the Group of 77.

96/ For the text of this resolution, see part one, Section A, above, resolution 107 (V).

Action by the Conference

275. At the same meeting, the Conference adopted draft resolution TD/L.159 97/ by a roll-call vote of 107 to 9, with 13 abstentions. 98/

276. The spokesman for Group D said that the Group D countries had voted for the resolution just adopted as they had also voted in favour of Board resolution 176 (XVIII). Group D attached great importance to the question of the commercial exploitation of the resources of the sea-bed and its subsoil. Any unilateral action directed towards the exploitation of the mineral resources of the international region of the sea-bed would be unacceptable and would constitute a violation of the relevant General Assembly resolutions and the basic principles of the international régime for the sea-bed beyond the limits of the continental shelf, which could serve as a basis for a universal Convention on the Law of the Sea.

277. The representative of Switzerland said that, at the eighteenth session of the Board, his country had voted for the resolution adopted on exploitation of the resources of the sea-bed and the ocean floor. In so doing, it wished to indicate that it understood the concerns referred to in the text, and to which its authorities had continually drawn attention at the Third United Nations Conference on the Law of the Sea. Nevertheless, Switzerland regretted that the resolution had been put to the vote before being discussed in a negotiating group which would in particular have made it possible to replace the term "warns" in paragraph 3, which did not correspond to the spirit of multilateral co-operation, by the term "emphasizes". Moreover, it did not feel bound by an interpretation of paragraph 1 of the resolution to the effect that non-observance of the provisions of a resolution was tantamount to a violation of international law.

97/ For the text of this resolution, see part one, section A, above, resolution 108 (V).

98/ The result of the vote was as follows:

In favour: Afghanistan; Algeria; Argentina; Bahrain; Bangladesh; Barbados; Bhutan; Botswana; Brazil; Bulgaria; Burma; Byelorussian Soviet Socialist Republic; Central African Empire; Chile; China; Colombia; Comoros; Congo; Costa Rica; Cuba; Cyprus; Czechoslovakia; Democratic Kampuchea; Democratic People's Republic of Korea; Democratic Yemen; Djibouti; Dominican Republic; Ecuador; Egypt; El Salvador; Ethiopia; Fiji; Gabon; Gambia; German Democratic Republic; Ghana; Guatemala; Guinea; Guinea-Bissau; Guyana; Haiti; Hungary; India; Indonesia; Iran; Iraq; Ivory Coast; Jamaica; Kenya; Kuwait; Lebanon; Lesotho; Liberia; Libyan Arab Jamahiriya; Madagascar; Malawi; Malaysia; Mali; Malta; Mauritius; Mexico; Mongolia; Morocco; Mozambique; Niger; Nigeria; Oman; Pakistan; Panama; Papua New Guinea; Peru; Philippines; Poland; Qatar; Republic of Korea; Romania; Rwanda; Sao Tome and Principe; Saudi Arabia; Senegal; Sierra Leone; Singapore; Somalia; Sri Lanka; Sudan; Suriname; Swaziland; Switzerland; Syrian Arab Republic; Thailand; Togo; Tonga; Trinidad and Tobago; Tunisia; Turkey; Ukrainian Soviet Socialist Republic; Union of Soviet Socialist Republics; United Arab Emirates; United Republic of Tanzania; Upper Volta; Uruguay; Venezuela; Viet Nam; Yemen; Yugoslavia; Zaire; Zambia.

Against: Belgium; France; Germany, Federal Republic of; Italy; Japan; Luxembourg; Netherlands; United Kingdom of Great Britain and Northern Ireland; United States of America.

Abstentions: Australia; Austria; Canada; Denmark; Finland; Greece; Ireland; Israel; New Zealand; Norway; Portugal; Spain; Sweden.

278. The representative of the United Kingdom, speaking also on behalf of Belgium, Federal Republic of Germany, France, Italy, Japan, Luxembourg, Netherlands and the United States, recalled the statement made on behalf of these countries in connexion with the adoption of Board resolution 176 (XVIII). 99/ He added that the views of these countries remained unchanged on the substance of the matter in question, as did the reasons which had led them to vote against the resolution just adopted.

279. The representative of Australia said that his delegation had abstained in the voting on the draft resolution, not because it was not in sympathy with much of the views expressed in it, but because it believed that the appropriate forum for discussions of such questions was the United Nations Conference on the Law of the Sea (UNCLOS).

280. The representative of Austria said that while his delegation found itself in agreement with the substance of the draft, it had abstained in the voting owing exclusively to procedural considerations relating to the negotiations in UNCLOS which had to consider the issues further, and also owing to his country's specific position in those ongoing negotiations.

281. The representative of Canada said that her delegation had abstained in the voting on the draft resolution. As it had stated at UNCLOS, Canada recognized the pressures on industrialized States to enact national sea bed mining legislation. It also recognized and sympathized with the concerns of the developing countries on this issue, particularly regarding the implications that unilateral action regarding the exploitation of the deep sea-bed might have. Such considerations argued eloquently for redoubled efforts to achieve a successful conclusion to UNCLOS when it resumed its eighth session. Canada distinguished between the right to develop ocean technology and related deep sea-bed activities directed to that end in the absence of a law of the sea treaty, and actual exploitation of the sea bed in the absence of such a treaty. Canada supported the former, but not the latter. As Canada saw no urgency in having such legislation in place, it had urged industrialized States to be patient in light of the significant progress achieved to date at UNCLOS. It was Canada's view that all States must be guided by the need to ensure that the law of the sea negotiations continued to progress to a successful achievement of a global treaty on ocean use which benefited all nations. Anything which might be perceived as inconsistent with the common heritage concept could interrupt the negotiating momentum and should be avoided. In conclusion, he said that, while Canada could support some of the paragraphs in the draft resolution, it had abstained in the voting because, in its view, UNCTAD was not the appropriate forum to consider law of the sea issues in light of the continuing negotiations in UNCLOS.

282. The representative of Denmark, recalling the statements made on behalf of his country at the eighteenth session of the Board, 100/ said that his delegation had abstained in the vote because it considered that UNCTAD was not the appropriate forum for dealing with substantive issues relating to UNCLOS, which should be left to that Conference. Its abstention, however, should not be taken as prejudging Denmark's position on the substance of the resolution just adopted.

99/ Official Records of the General Assembly, Thirty-third Session, Supplement No. 15 (A/33/15), paragraphs 304-305.

100/ Ibid, para. 313.

283. The representative of Finland said that his delegation, in voting in favour of General Assembly resolution 2574 D (XXIV) had expressed its basic attitude on the question of a moratorium on the exploitation of the sea-bed. It had also expressed, at the seventh session of UNCLOS, its deep concern regarding the situation in which that Conference would find itself if participating countries were now to enact unilateral legislation permitting deep sea mining. It was Finland's opinion that the substance of the resolution just voted on should be dealt with by UNCLOS, and it had been on that basis that his delegation had abstained in the voting. This should not be considered as an expression of its position on the matters of substance.

284. The representative of Greece said that his delegation had abstained in the voting, as it had in respect of Board resolution 176 (XVIII), solely because it believed that the issues raised were within the purview of UNCLOS.

285. The representative of Ireland stated that his delegation had abstained in the voting as it considered that UNCLOS was the appropriate forum for consideration of the matter.

286. The representative of Israel said that his delegation had abstained in the voting because the issues raised were still under discussion in UNCLOS, which was the appropriate forum to deal with the subject. Israel had also abstained in the voting on Board resolution 176 (XVIII). Its abstention, however, did not prejudge its position on the substance of the matter.

287. The representative of New Zealand said that his delegation had abstained in the voting as it did not believe it was procedurally appropriate to consider such matters within the UNCTAD context when they were formally within the mandate of UNCLOS. However, his Government fully supported the concept that the deep sea bed was the common heritage of mankind and it also supported the general thrust of the resolution just adopted.

288. The representative of Norway said that, as to the substance of the resolution just adopted, his Government shared the view that unilateral national legislation on the exploitation of the sea bed and the ocean floor beyond the limits of national jurisdiction might have undesirable consequences, and was not planning such legislation. It felt that matters relating to the law of the sea should be dealt with by UNCLOS, which had been entrusted with such tasks. Norway did not consider UNCTAD to be the appropriate forum for this issue, and had accordingly abstained in the voting.

289. The representative of Portugal said that his delegation had abstained in the voting because it considered that the issues raised in the resolution fell within the mandate of UNCLOS. Its abstention, however, did not prejudge its position as regards the substance of the matter, as defined in the appropriate forum.

290. The representative of Spain said that his delegation had abstained in the voting owing to its view, which had been expressed at the eighteenth session of the Board, that UNCTAD was not the appropriate forum for dealing with matters relating to the exploitation of the resources of the sea bed. The appropriate forum for discussion of such issues was UNCLOS which was shortly to resume its work.

291. The representative of Sweden said that the issues raised in the resolution just adopted had recently been considered by UNCLOS. As it had stated at that Conference, Sweden shared the concern regarding the situation in which UNCLOS would find itself as a result of unilateral legislation permitting deep sea mining. Sweden had also voted in favour of General Assembly resolution 2574 D (XXIV). It considered, however, that the question raised in the resolution just adopted should be considered in UNCLOS. The fact that Sweden had abstained in the voting did not in any way prejudge its position on the substance of the matter.

292. At the 171st meeting, on 3 June 1979, the representative of Nepal stated that, had his delegation been present during the voting, it would have voted in favour of resolution 100 (V).

E. Assistance to national liberation movements recognized by regional intergovernmental organizations

293. At the 170th meeting, on 1 June 1979, the representative of Cuba introduced a draft resolution (TD/L.162) on assistance to national liberation movements recognized by regional intergovernmental organizations, which he had submitted on behalf of the States members of the Group of 77.

294. Speaking in explanation of vote before the vote, the representative of Israel said it was no secret that part of draft resolution TD/L.162 had been inspired and initiated by the so-called Palestine Liberation Organization (PLO). He regretted the attempt of certain countries to involve the Conference in sensitive political matters which were outside the scope and competence of UNCTAD, although he was aware that certain countries, which were truly concerned that the process of peace in the Middle East should be successful, had fought against the introduction of disruptive political elements into the Conference. Draft resolution TD/L.162 went against the positive tradition built up in UNCTAD over the years of dealing with economic and social issues of great importance to developing countries and avoiding references to political disputes. Some of the paragraphs of the draft were clearly politically motivated and the operative part requested the Secretary-General of UNCTAD to initiate studies in collaboration with the so-called PLO, without mentioning that organization by name. The aims of the PLO were destructive; its nature was vicious, its method was terror. Accordingly, Israel rejected draft resolution TD/L.162 and objected to any kind of collaboration with the PLO. Moreover, it would not co-operate in any action emanating from the draft resolution.

Action by the Conference

295. At the 170th meeting, on 1 June 1979, the Conference adopted draft resolution TD/L.162 101/ by a roll-call vote of 91 votes to 16, with 14 abstentions. 102/

296. The spokesman for Group D said that the members of Group D had voted in favour of the resolution in line with their position of principle on this important and critical question. They had always consistently and resolutely supported the struggle of peoples for national and social liberation and were taking practical measures, including economic measures, to that end. In this connexion, he recalled that it had been the members of Group D that had taken the initiative with regard to General Assembly resolution 1514 (XV) containing the Declaration on the Granting of Independence to Colonial Countries and Peoples. At the resumed thirty-third session of the General Assembly on the question of Namibia, the members of Group D had spoken in favour of taking drastic measures against the apartheid régime in South Africa and providing all necessary assistance to the peoples struggling for national liberation in southern Africa. The Group D States also supported the demands set out in the resolution adopted at the fifth session of the United Nations Commission on Transnational Corporations on the need to prevent transnational corporations from providing any further assistance to the apartheid régime in South Africa. Furthermore, they condemned the attempts being made to impose on the

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101/ For the text of this resolution, see part one, section A, above, resolution 109 (V).

102/ The result of the voting was as follows:

In favour: Afghanistan; Algeria; Argentina; Bahrain; Bangladesh; Botswana; Brazil; Bulgaria; Burma; Byelorussian Soviet Socialist Republic; China; Colombia; Comoros; Cuba; Cyprus; Czechoslovakia; Democratic Kampuchea; Democratic People's Republic of Korea; Democratic Yemen; Djibouti; Dominican Republic; Ecuador; Egypt; Ethiopia; Gabon; Gambia; German Democratic Republic; Ghana; Guinea; Guinea-Bissau; Guyana; Haiti; Hungary; India; Indonesia; Iran; Iraq; Ivory Coast; Jamaica; Kenya; Kuwait; Lebanon; Lesotho; Liberia; Libyan Arab Jamahiriya; Madagascar; Malaysia; Mali; Malta; Mauritius; Mexico; Mongolia; Morocco; Mozambique; Nigeria; Oman; Pakistan; Panama; Peru; Philippines; Poland; Qatar; Republic of Korea; Romania; Rwanda; Sao Tome and Principe; Saudi Arabia; Senegal; Sierra Leone; Singapore; Somalia; Sudan; Suriname; Syrian Arab Republic; Thailand; Togo; Tonga; Trinidad and Tobago; Tunisia; Turkey; Ukrainian Soviet Socialist Republic; Union of Soviet Socialist Republics; United Arab Emirates; United Republic of Tanzania; Upper Volta; Venezuela; Viet Nam; Yemen; Yugoslavia; Zaire; Zambia.

Against: Australia; Austria; Belgium; Canada; Denmark; France; Germany, Federal Republic of; Israel; Italy; Luxembourg; Netherlands; New Zealand; Norway; Switzerland; United Kingdom of Great Britain and Northern Ireland; United States of America.

Abstentions: Chile; Costa Rica; El Salvador; Fiji; Finland; Greece; Guatemala; Ireland; Japan; Malawi; Portugal; Spain; Sweden; Uruguay.

peoples of Zimbabwe, Namibia and South Africa neo-colonialist solutions that were alien to them and that might engender new conflicts in that part of the world. True to their position of principle, the Group D States reiterated their support for measures directed towards the realization of the inalienable right of the Palestinian people to self-determination and the establishment of its own State. In this connexion, they were in favour of a comprehensive political settlement in the Middle East, something that could be attained only through the participation of all parties concerned, including the Palestine Liberation Organization. The Group D States considered that the implementation of the resolution just adopted would represent a further step towards the complete liberation of peoples living under colonial domination and foreign occupation.

297. The representative of Brazil said that his country fully supported the resolution just adopted. It did, however, consider that the sixth preambular paragraph was drafted in an excessively broad way since colonial domination and foreign occupation were separate phenomena which did not always occur together and should thus be considered separately.

298. The representative of Iraq said that he had voted in favour of the resolution just adopted and believed that the subject of the resolution related to the core of UNCTAD's work, as one of the fundamental issues before UNCTAD related to the restrictive business practices of the transnational corporations belonging to the governments of those colonial countries which claimed that the issue was non-political. It was well known that transnational corporations were now supplying the governments of racist South Africa and the Zionist entity with oil at high prices that was not being offered to the countries concerned. Moreover, the world's peoples knew that Zionism and the Smith racist Government were co-operating with transnational corporations in exploiting developing countries' resources. UNCTAD must concentrate on trade practices and on the activities of transnational corporations of the colonial countries, which always claimed that UNCTAD was not concerned with political matters.

299. The representative of Jamaica said that her country had voted in favour of the resolution because it strongly supported the notion of assistance to national liberation movements recognized by regional intergovernmental organizations. It did, however, have a reservation concerning some of the implications of the wording of the sixth preambular paragraph.

300. The representative of Mexico said that his country had voted for the resolution as it was in line with Mexico's position on the issue. However, it did have certain doubts regarding the wording of the sixth preambular paragraph. Moreover, its vote for the resolution did not affect the position taken by Mexico when the General Assembly had adopted resolution 3236 (XXIX).

301. The representative of Romania said that his country had voted in favour of the resolution because it had always supported the struggle of the peoples of Zimbabwe and Namibia for freedom and national independence, as well as the struggle of the majority of the population in South Africa against racist policies and apartheid. Romania had consistently and firmly stood for the withdrawal of Israel from the Arab territories occupied in 1967 and for the solution of the problem of the Palestinian people, including the creation of an independent Palestinian State, and recognition of the PLO as the authentic and legitimate representative of the Palestine people.

302. The representative of the Syrian Arab Republic said that he had voted in favour of the resolution because of Zionism's racist practices vis-à-vis the Arab Palestinian people, and also because of the racist practices which some African peoples were subjected to. No wonder that the representatives of the Zionist racist entity - the usurper of Arab Palestine - defied and objected to this resolution, while continuing to defy the will of the international community, as embodied in United Nations resolutions dealing with the question of the Middle East. Those resolutions uphold the rights of the Palestinian people who had been displaced from their own homeland by racist Zionism which had replaced them with individuals brought from the various corners of the globe. Racist Zionism subjected the Palestinian people and the inhabitants of occupied Arab territories to the worst kind of exploitation humanity had ever witnessed, and exploited Arab material and human wealth, falsified history, violated Arab individual basic human rights, and desecrated Arab and Islamic holy places, thereby disregarding Arab, Christian and Moslem sensibilities, within as well as outside, the occupied Arab territories. Occupying Zionism combined all forms of colonialism, old and new, such as exploitation and plundering of resources, and the subjugation of developing nations. Having secured a so-called treaty with an Arab political régime, giving it absolute right to invade, plunder and occupy Arab territories, and to deny the Palestinian people their legitimate rights which had been upheld by the international community, the Zionist entity was now legalizing its colonial expansion.

303. The spokesman for the States members of the European Economic Community said that these States had not been able to support the resolution just adopted. Apart from the fact that they deplored the introduction of questions which were alien to the purposes of the Conference, and which were in any case under discussion elsewhere in the United Nations, they felt that the text of the resolution was based on a confusion, pure and simple, of situations which were by their nature completely different, both politically and legally. The positions of the States members of the Community, whether regarding the right of the Palestinian people to a homeland, or the basic condemnation of apartheid, or regarding efforts to find a peaceful settlement to the problems of Rhodesia and Namibia, were sufficiently well known as to require no repetition. In these circumstances, they felt it was particularly inappropriate to attempt, by means of a resolution whose practical implications were far from clear, to merge two different problems in a completely artificial manner.

304. The representative of Canada said that her country had voted against the resolution just adopted because it considered that UNCTAD was not the appropriate forum to examine questions of a political nature.

305. The representative of the United States said that his country strongly opposed the resolution just adopted, which had marked an unfortunate interruption in the negotiations at the Conference and caused it to divert its attention from the important economic issues before it. UNCTAD was not the proper place to raise such a fundamental political issue as was contained in the resolution but rather a place to find solutions to the problems associated with trade and development. The resolution clearly called into question the legitimacy and sovereignty of Israel. This was particularly unfortunate at the present time when so much important progress had been made towards the objective of achieving a just peace in the Middle East and when talks were under way on autonomy for the West Bank and the Gaza Strip. The resolution also called into question the legitimacy of South Africa and raised questions relating to the issues of permanent sovereignty over natural resources and economic activities, on which the views of the United States were well known.

It would be regrettable if the issues raised in the resolution were to be brought to the Board and thus divert that body's attention from its basic task which was the enhancement of the economic and social development of all peoples. Furthermore, adoption of the resolution at the present time was almost certain to have an adverse impact on world-wide public opinion regarding the work of the Conference and of UNCTAD itself.

306. The representatives of Chile, Costa Rica and El Salvador said that their countries had abstained in the voting because they considered that UNCTAD was a forum that should concentrate on technical and economic issues of concern to the developing countries and not on political issues for which there were other forums within the United Nations system.

307. The observer for the Palestine Liberation Organization (PLO) expressed his appreciation to the delegations that had voted in favour of the resolution, and had expressed, thereby, their solidarity with the national liberation movements, not only in Palestine, but also in Zimbabwe and Namibia. It seemed that some people considered the Palestinian nation to be a fictitious entity that had no economic or social existence. However, the economic submissiveness that the Palestinian nation was experiencing, the plundering of its economic and natural resources as well as the social persecution it was being subjugated to, would not affect the Palestinian nation. The Palestinian people was one endowed with political rights which they had defended with the assistance of many friends both within and outside United Nations forums dealing basically with political problems and liberation and nationalistic questions. They did have economic interests and economic wealth that was daily being spoliated. They did have a land that was daily being usurped, besides the occupied territories and the sacred places that were desecrated every day. They had social rights of which they were deprived as a Palestinian people. On that premise, they had presented - jointly with the African liberation movements - the draft resolution just adopted, asking that UNCTAD undertake - within the scope of its competence - studies devoted to the situation of the peoples of South Africa, Namibia, Zimbabwe and Palestine, to bring to the fore the wretched living conditions of these peoples as a result of foreign occupation and colonial domination. They had not asked that UNCTAD talk about these people's right to self-determination, nor about the Palestinian people's right to live freely on their soil and to the establishment of an independent Palestinian State. He regretted that those who claimed that UNCTAD was not a political forum were the same people who had inserted a political element into the debate at the present meeting, and who had referred to the political situation in the region. He had wished to limit the discussion to the Palestinian people's socio-economic rights. Those who did not want political matters to be introduced were the same people that refused to recognize the Palestinian people's legitimate rights in the political forums in which this question was discussed. All knew which were the countries that were fighting against that people's right to independence and self-determination.

F. Protectionism in the services sector

308. At the 171st meeting, on 3 June 1979, the representative of Cuba introduced a draft resolution (TD/L.168) on protectionism in the services sector, which he had submitted on behalf of the States members of the Group of 77.

Action by the Conference

309. At the same meeting, the Conference adopted draft resolution TD/L.168 10[3]/ by a roll-call vote of 91 votes to 25, with 1 abstention. 10[4]/

310. The spokesman for Group B said that the members of his Group had voted against or abstained with respect to the resolution on procedural grounds as they considered the International Civil Aviation Organization to be the appropriate forum for consideration of civil aviation matters. The members of Group B had no common position on the substance of the issues involved.

311. The spokesman for Group D, speaking also on behalf of Mongolia, said that the position of those countries on problems of protectionism and restrictive business practices had been made clear in the relevant documents of the Conference and in statements by their representatives. The provisions contained in paragraph 1 of the resolution just adopted could not be applied to the organizations of the Group D countries operating in the services sector, e.g., airlines. The overwhelming majority of flights of their countries' airlines included three to five landings along

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10[3]/ For the text of this resolution, see part one, section A, above, resolution 119 (V).

10[4]/ The result of the vote was as follows:

In favour: Afghanistan; Algeria; Argentina; Bahrain; Bangladesh; Barbados; Bhutan; Brazil; Bulgaria; Burma; Byelorussian Soviet Socialist Republic; Chile; China; Colombia; Comoros; Congo; Cuba; Czechoslovakia; Democratic Kampuchea; Democratic Yemen; Djibouti; Dominican Republic; Ecuador; Egypt; Ethiopia; Fiji; Gabon; German Democratic Republic; Ghana; Guatemala; Guinea; Guinea-Bissau; Hungary; India; Indonesia; Iran; Iraq; Ivory Coast; Jamaica; Kenya; Lesotho; Liberia; Libyan Arab Jamahiriya; Madagascar; Malawi; Malaysia; Mali; Malta; Mauritius; Mexico; Mongolia; Morocco; Mozambique; Nepal; Niger; Nigeria; Oman; Pakistan; Peru; Philippines; Poland; Qatar; Republic of Korea; Romania; Rwanda; Sao Tome and Principe; Saudi Arabia; Senegal; Singapore; Somalia; Sri Lanka; Sudan; Swaziland; Syrian Arab Republic; Thailand; Togo; Tonga; Trinidad and Tobago; Tunisia; Uganda; Ukrainian Soviet Socialist Republic; Union of Soviet Socialist Republics; United Arab Emirates; United Republic of Tanzania; Uruguay; Venezuela; Viet Nam; Yemen; Yugoslavia; Zaire; Zambia.

Against: Australia; Austria; Belgium; Canada; Denmark; Finland; France; Germany, Federal Republic of; Greece; Ireland; Israel; Italy; Japan; Luxembourg; Netherlands; New Zealand; Norway; Portugal; Spain; Sweden; Switzerland; United Kingdom of Great Britain and Northern Ireland; United States of America.

Abstentions: Turkey.

the same route, although the airlines of their countries often experienced the same difficulties as airlines of other countries. In particular in making a large number of regular flights to the developing countries of Africa and Asia, the airlines of the Group D countries did so on a reciprocal basis, thereby contributing towards the expansion of the network of airlines which crossed these countries and also to the development of transport between them.

G. Role of the public sector in the expansion of the share of the developing countries in international trade

312. At the 171st meeting, on 3 June 1979, the President announced that, in view of the lack of adequate time to consider the matter, the sponsor of a draft decision (TD/L.150) on the role of the public sector in the expansion of the share of the developing countries in international trade had decided to withdraw the draft decision.

XV. STATEMENTS MADE AT THE CLOSING MEETING OF THE FIFTH SESSION

313. The spokesman for the Group of 77 said that the States members of the Group of 77 had come to the Conference determined to achieve agreements that would be satisfactory for the international community. At their regional meetings and, most recently, at the Arusha meeting, the members of the Group of 77 had demonstrated their constructive attitude in approaching the serious problems of the international economy in a realistic manner, reflecting the fact that the world economy was at present in its most severe crisis since the Second World War. The Group of 77 could not, of course, fail to express its concern regarding the poor results of the negotiations that had been undertaken since UNCTAD IV, and regarding the virtual complete halt of the process aimed at the implementation of the Declaration and the Programme of Action for the Establishment of a New International Economic Order owing to the lack of political will on the part of most of the developed countries. Now that the fifth session of the Conference was drawing to a close, it was necessary to ask what contribution it had made to solving the problems confronting the world as regards the unjust distribution of resources and the inefficient and discriminatory use of those resources, which were factors that fuelled the world crisis and maintained three-quarters of the world's population in a state of underdevelopment. On this occasion, as it had in Arusha, the Group of 77 wished to stress that the present crisis was a symptom of structural maladjustments and not a cyclical phenomenon, and that, consequently, the measures required to cure this profound illness must be suited to the problems being confronted and not just superficial and temporary remedies. Working out solutions designed to bring about adjustments that were only temporary, that were developed piecemeal and without the effective participation of the developing countries was certainly not the way to take a serious approach to the dramatic situation of those countries - quite the reverse. Such a manner of proceeding, in an international economic context of the kind existing at present and given the rapid and inevitable changes that were taking place in international economic relations, not only stood in the way of the necessary structural changes but also heightened the impact of the crisis on the developing countries.

314. He added that the problems faced by the developing countries owing to the pressure exerted by the constant increase in the costs of their imports remained without solution, as did the continued fluctuation in commodity prices, the closure of foreign markets through protectionism and the general deterioration of the terms of trade of the developing countries, together with the adverse impact on the purchasing power of their depreciated monetary reserves caused by the increase in their balance-of-payments deficits and the growth of their external indebtedness. The Group of 77 had expected a greater degree of co-operation from the developed countries in fulfilling their international commitments to contribute to the establishment of the New International Economic Order. Certain delegations had referred during the Conference to the question of energy. It had been shown that it was incorrect to ascribe responsibility for the acceleration of world inflation to the oil-exporting countries. It had to be said that the recent increases in oil prices were attributable to the squandering of energy in the richest industrialized countries, seven of which accounted for well over half of world consumption of oil. This problem had to be tackled as a whole, and as a matter of urgency. The impact of this situation on the developing countries that were totally or partially lacking in energy resources could not be hidden. Their balances of payments had become worse owing to the deterioration in their terms of trade, protectionist policies against their manufactured exports, excessive costs of their imports of goods and services from the industrialized countries owing to inflation in these countries, monetary fluctuations and the decline in the prices of the commodities exported by developing countries, among other factors.

315. In this context, he continued, economic co-operation among developing countries took on even greater importance, although it was no replacement for negotiations with the developed countries and it could not release these countries from their responsibilities for the fulfilment of their international obligations. Collective self-reliance involved support for mutual efforts in order to defend, inter alia, the price of developing countries' exports of commodities, including oil and manufactures, and, since the question of energy was crucial for development, the Group of 77 considered that, within the framework of co-operation, due attention would be paid to this together with trade, the transfer and development of technology, and monetary and financial issues. All this would strengthen the negotiating position of the developing countries, reduce dependence and bar the way to [illegible] diversionary manoeuvres. In expressing these truths, the States members of the Group of 77 wished to reiterate their readiness to negotiate at any time, as in the past and during the present Conference. They also reiterated their solidarity as regards the principles that inspired them and reaffirmed their decision not to flag in their efforts to achieve the establishment of a New International Economic Order.

316. The spokesman for the Group of 77 also stated that his Group had agreed on the following decision at a meeting held during the Conference:

> "Recognizing the urgent need to find means of achieving the strategy of collective self-reliance as one of the key elements in the New International Economic Order, thus fulfilling the Mexico City Action Programme for Economic Co-operation among Developing Countries of 1976 and the Arusha Programme for Collective Self-Reliance, exploring all the multilateral possibilities for economic co-operation within the Group of 77, in particular in favour of the least developed countries, and in order to exchange information on the existing programmes of the least developed countries,
>
> Taking note with deep appreciation and welcoming the important initiative of President Marcos of the Philippines in proposing the immediate establishment of a mechanism to implement such co-operation, in which the States members of the Group of 77 would participate in a suitable manner,
>
> Recommends that the ministerial meeting of the Group of 77 scheduled to be held during the thirty-fourth session of the General Assembly should consider the establishment of an ad hoc committee for the purposes mentioned above."

317. In conclusion, the spokesman for the Group of 77 expressed the gratitude and appreciation of his Group to the President and the First Lady of the Philippines, and to the Government and people of the Philippines, for the excellent facilities provided for the Conference and for the warm hospitality which participants had enjoyed. He also paid a tribute to the work of the President of the Conference.

318. The spokesman for Group B said that the three years since UNCTAD IV had been characterized by wide and increasing international co-operation between developed and developing countries, expressed in a number of specific decisions or accords. Recognizing this, Group B had approached the Conference with the political objective of signalling to the world its wish to make further progress at the Conference, and to continue this process through the programme of negotiations which had already been scheduled for the coming year. Before the Conference, many observers had pointed to the fact that there was no central issue or issues, as there had been at the previous UNCTAD Conferences; and also that the range of the agenda and the

volume of previous negotiations made it unrealistic to expect anything that might be characterized by the word "break-through". Despite this, some observers had persisted at the outset in presenting the issues in what, it was to be hoped, were the outmoded terms of confrontation. The host Government had certainly not adopted that viewpoint. President Marcos and Mrs. Marcos in their speeches to the Conference and in their discussions with many representatives in recent days had urged participants in the Conference to agree where they could, but also to continue to work further in a good spirit where it was not possible immediately to find the basis for agreement. This, in the view of Group D, was what had been done. He expressed concern that he could not at the present moment analyse and respond to the statement just made by the spokesman for the Group of 77, which contained interesting points. He expected that, once Group D had seen the text of that statement, it would wish to revert to the matters raised in it at the nineteenth session of the Board.

319. In conclusion, he expressed the thanks of Group D to the Government of the Philippines; to its President and First Lady, to the President of the Conference, and to the people of the Philippines who had accomplished the difficult task of preparing and managing such a large Conference with such perfection.

320. The spokesman for Group D said that the fifth session of the Conference was taking place at a time when serious difficulties were being encountered in the field of international economic co-operation. The crises that had been affecting the free-market economy more and more in recent years had seriously impeded the development of international trade and socio-economic progress in the developing countries. The views of the Group D with regard to the current state of the world economy were set out extensively in document TD/269 and had also been reflected in the statements made by their representatives during the general debate. Those statements had dealt both with the unfavourable trends in contemporary inter-State economic relations and with the positive achievements of the 1970s, namely the further reduction of international tension as a major element in contemporary international relations and the strengthening of détente as a necessary condition for the solution of modern problems in the field of world trade and socio-economic development. One of the important achievements of the 1970s had been the strengthening of the historical process of the national liberation of peoples in Asia, Africa and Latin America; the further development of this process was an inseparable part of profound socio-economic changes directed towards the complete mobilization of internal resources, the introduction of State economic planning, industrialization, agricultural reform and the development of equitable international co-operation. Recognizing the important role played by UNCTAD in the development of such co-operation, the members of Group D had taken an active part in the work of the Conference and had tried to work out mutually acceptable decisions for all items on the agenda. In this connexion, they had made a number of proposals concerning the role of transnational corporations in trade in commodities, manufactures and semi-manufactures, the limitation of the negative consequences of the activities of foreign private capital in developing countries, the protectionist measures taken in recent years by the leading capitalist States, including measures directed against the socialist countries, and co-operation with the least developed among the developing countries.

321. He added that, in the course of the Conference, Group D had made specific proposals directed towards the further expansion and strengthening of international trade and economic co-operation. Those proposals had related to such fields as the implementation of the Integrated Programme for Commodities, the rapid conclusion of a Code of Conduct for the Transfer of Technology, trade relations among countries having different socio-economic systems, the activities of

transnational corporations, the use of "flags of convenience" in world shipping, and the limitation of the adverse consequences of the activities of foreign private capital in developing countries. However, the Conference had been unable to arrive at constructive decisions on a number of important questions; in particular, it had been unable to take any decision on agenda item 8 because of fundamental disagreements among the various groups of countries, and above all between the Group of 77 and Group D, as to the evaluation of the current trade and economic situation. Group D, which had been the originator of the item, had consistently spoken in favour of the adoption of a resolution which would have provided a clear and unambiguous evaluation of the current trade and economic situation in the world, indicated the real reasons and sources of the current economic difficulties and disorders and, in particular, provided a fundamental evaluation of the role of transnational corporations, the policies of which went against the interests of the vast majority of mankind; such a resolution would also have indicated real ways and means of overcoming the difficulties that had arisen.

322. In general, he continued, UNCTAD V could have achieved much more than it had, in particular with respect to the major and urgent problems that lay behind the current state of trade and economic relations in the world. For Group D, these problems included the development of trade relations among countries having different economic and social systems. The draft resolution submitted by Group D on this question had been transmitted to the permanent machinery of UNCTAD for consideration. In this connexion, Group D declared its intention to continue the policy of broadening and strengthening trade, economic, scientific and technical co-operation with countries having different economic and social systems, for which the principal prerequisites were the consolidation of the process of international détente, the reduction of military expenditure and the limitation and cessation of the arms race. Thanks to the spirit of Helsinki, relations with the developed capitalist States had in many respects received a new impetus and had developed rapidly. The Group D countries intended to develop these relations further on the basis of equality and mutual benefit.

323. He added that trade and economic co-operation between the socialist countries of Eastern Europe and the developing countries had been one of the most dynamic sectors of world economic relations throughout UNCTAD's existence. Those socialist countries were prepared to increase still further the assistance they were giving to developing countries in order to strengthen their economic independence, establish modern economic structures, introduce progressive socio-economic change and, in short, expand the entire range of their trade, economic, scientific and technical co-operation in ways that were as consistent as possible with the socio-economic structure of the socialist countries. Group D countries were ready to co-operate with other countries in the future in order to deal with such urgent issues as the fight against protectionism and the elimination of discrimination in international economic relations, the control and limitation of the activities of transnational corporations, the completion of measures outlined by UNCTAD with regard to regulating the markets for commodities and manufactures, the transfer of technology, restrictive business practices, shipping, economic co-operation among developing countries, special measures in favour of the least developed countries and other problems. A number of useful decisions had been taken at the Conference, problems requiring further attention had been identified and the various points of view on current international economic problems have been compared. UNCTAD must promote efforts to deal with the problems that now confronted it as a result of the latest

324. In conclusion, he expressed the appreciation of Group D for the efforts made by the people and Government of the Philippines, and the personal interventions of the President and the First Lady of the Philippines, which had contributed to the positive results of the Conference. He added that the experience and energy of the President of the Conference had greatly assisted the Conference in resolving crucial issues.

325. The representative of China said that, from the outset, the fifth session of the Conference had received the strong support of President Marcos of the Philippines who had created a most favourable atmosphere for the session. The statements made by the First Lady of the Philippines, on behalf of the Philippines delegation, had generated the momentum for the session. China expressed its profound appreciation to the host country for all the facilities and assistance offered to the Conference. As a result of intensive consultations and after overcoming many obstacles the Conference had adopted a number of resolutions which, to a certain extent, reflected the demands of the developing countries. Proceedings at the present session had demonstrated the urgent need of the developing countries for the transformation of the existing unfair and inequitable international economic relations and their desire for the early establishment of the New International Economic Order. On the basis of the Arusha Programme, the Group of 77 had submitted a series of draft resolutions on structural changes in the fields of industry and trade, reform of the international economic system, modification of the principles and rules governing international economic relations as well as on commodities, manufactures, trade, finance, shipping and transfer of technology. The proposals of the Group of 77 had been justified, reasonable, and in conformity with the requirements for the establishment of the New Economic Order and China had expressed its clear support for those proposals. During the Conference, China had also made clear its commitment to both the first and second windows of the Common Fund. Some of the developed countries which sympathized with the demands of the developing countries had also made useful efforts during the session. China regretted, however, that a number of important proposals tabled by the developing countries had not been adopted because of the obstacles posed by the super-Powers. At present, one serious problem in international trade was the intensification of protectionism. The agreement reached on this issue fell short of the demands of the developing countries. China was obliged to point out that the super-Power which claimed to be a supporter of the developing countries had made no commitments to either window of the Common Fund. On the issue of the economic development and trade of the developing countries it had stubbornly refused to undertake any responsibility. In defiance of the wish of the majority of participants to concentrate the discussion on economic problems, that super-Power had repeatedly tried to peddle its sham disarmament and sham détente. Such interference with the proceedings of the Conference had provoked opposition from many delegations. The representative of this same super-Power, confusing black with white, had also attacked China by innuendo. Facts indicated clearly that it had been the big hegemonist which had backed up the small hegemonist to provoke border conflicts with China, obliging China to counter attack in self defence. China's action had been entirely just - it did not want a single inch of foreign territory nor had it stationed a single soldier on foreign soil. Thus China could not be charged with committing aggression. As was known to all, it had been the big hegemonist which had helped the small hegemonist to launch a massive armed invasion against Kampuchea. Its more than 100,000 troops were still in Kampuchea where the flames of war continued to spread, thus seriously threatening the peace and security of South-East Asia and the Asian-Pacific region as a whole. The invading army must be withdrawn from Kampuchea. The attempts by the big and small

326. He added that the numerous difficulties and obstacles which had been encountered during the session testified to the fact that the task of establishing the New International Economic Order was an arduous one. China believed, however, that the common and just goal would inevitably be reached as long as the developing countries strengthened their unity and co-operation and relied on their collective force and their own unremitting efforts.

327. In conclusion, he expressed the gratitude of China to the Government and people of the Philippines for their warm hospitality during the session, and expressed China's appreciation of the work done by the President of the Conference.

328. The representative of the USSR, exercising the right of reply, said that the intervention by the representative of China contained a number of absurd issues. His delegation rejected all the arrogant fabrications in that statement which showed once again that China was striving to undermine proceedings within the UNCTAD framework which should be concerned with real problems of international economic relations and be aimed at co-operation and the mutual understanding of peoples.

PART THREE

ORGANIZATIONAL AND PROCEDURAL MATTERS

A. Opening of the Conference (Agenda item 1)

1. The fifth session of the United Nations Conference on Trade and Development was held at the Philippine International Convention Centre, Manila, Philippines. The session was opened on Monday, 7 May 1979, under the temporary presidency of Mr. Eliud T. Mwamunga (Kenya), President of the Conference at its fourth session.

B. Election of the President (Agenda item 2)

2. At its 146th (opening) meeting, on 7 May 1979, the Conference elected as its President the Hon. Carlos P. Rómulo, Minister for Foreign Affairs of the Republic of the Philippines.

C. Report of the Pre-Conference Meeting

3. At its 146th meeting, on 7 May 1979, the Conference took note of the report (TD/247) submitted by Mr. D.L. Castellanos (Venezuela), President of the Trade and Development Board, in his capacity as Chairman of the Pre-Conference Meeting, held at Manila on 4 May 1979, and accepted the recommendations contained therein.

D. Election of Vice Presidents and the Rapporteur (Agenda item 4)

4. At its 146th meeting, on 7 May 1979, the Conference elected Mr. D. Laloux (Belgium) as its Rapporteur.

5. At the same meeting, the Conference elected the representatives of the following 33 States as Vice-Presidents: Argentina; Austria; Bangladesh; Bulgaria; Chile; China; Cuba; El Salvador; Finland; France; German Democratic Republic; Germany, Federal Republic of; Haiti; Honduras; Hungary; Iraq; Italy; Japan; Liberia; Libyan Arab Jamahiriya; Madagascar; Malaysia; Mexico; Saudi Arabia; Senegal; Somalia; Spain; Sri Lanka; Thailand; Union of Soviet Socialist Republics; United States of America; Zaire; Zambia.

E. Adoption of the agenda (Agenda item 6)

6. At its 146th meeting, on 7 May 1979, the Conference adopted the following agenda (TD/253) for its fifth session.

1. Opening of the Conference
2. Election of the President
3. Constitution of sessional bodies
4. Election of Vice-Presidents and the Rapporteur

5. Credentials of representatives to the Conference:

   (a) Appointment of the Credentials Committee

   (b) Report of the Credentials Committee

6. Adoption of the agenda

7. General debate

8. Evaluation of the world trade and economic situation and consideration of issues, policies and appropriate measures to facilitate structural changes in the international economy, taking into account the interrelationships of problems in the areas of trade, development, money and finance with a view to attaining the establishment of a new international economic order and bearing in mind the further evolution that may be needed in the rules and principles governing international economic relations and UNCTAD's necessary contribution to a New International Development Strategy for the Third United Nations Development Decade

9. Developments in international trade

   (a) Protectionism: trends and short-term and long-term policies and actions needed to deal with the problems

   (b) Multilateral trade negotiations: evaluation and further recommendations arising therefrom

10. Commodities

   (a) Integrated Programme for Commodities

   Review of implementation and follow-up action, including the ongoing preparatory work and negotiations

   (b) Other elements

11. Manufactures and semi-manufactures

   (a) Comprehensive measures required to expand and diversify the export trade of developing countries in manufactures and semi-manufactures

   (b) Principles and rules and other issues relating to restrictive business practices

   (c) Review and evaluation of the generalized system of preferences

   (d) Review of the implementation of Conference resolutions 96 (IV) 1/ and 97 (IV) 2/

1/ Conference resolution 96 (IV): "A set of interrelated and mutually supporting measures for expansion and diversification of exports of manufactures and semi-manufactures of developing countries".

2/ Conference resolution 97 (IV): "Transnational corporations and expansion of trade in manufactures and semi-manufactures".

12. Monetary and financial issues

(a) Consideration of requirements of the international monetary system which would foster world trade and development, compatible with the needs of a satisfactory international adjustment process, taking account of the adverse effects of fluctuating exchange rates and world inflation, and in particular, taking into account the development of developing countries and their needs for balance-of-payments support

(b) Measures to augment the net flow and improve the conditions of resource transfers from developed to developing countries

(i) Official bilateral and multilateral finance

(ii) Private capital flows

(c) Other financing issues related to trade

(d) (i) Review of implementation and further action that may be required pursuant to Trade and Development Board resolution 165 (S-IX), part A 3/

(ii) Detailed features for future operations relating to debt problems of interested developing countries (Trade and Development Board resolution 165 (S-IX), part B)

(e) Review of the present system of international financial co-operation in the context of world trade and development and consideration of ways and means within this context to make it more effective in contributing to the development of developing countries

13. Technology

(a) International code of conduct on the transfer of technology

(b) UNCTAD's contribution to economic, commercial and development aspects of the industrial property system in the context of its on-going revision

(c) Strengthening the technological capacity of the developing countries including accelerating their technological transformation

(d) Development aspects of the reverse transfer of technology

14. Shipping

(a) Developments pertaining to the Convention on a Code of Conduct for Liner Conferences

(b) Participation of developing countries in world shipping and the development of their merchant marines

15. Least developed among developing countries

Special measures in favour of the least developed among developing countries and further action aimed at improving their economic situation and accelerating their development

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3/ Board resolution 165 (S-IX): "Debt and development problems of developing countries".

16. Land-locked and island developing countries

(a) Specific action related to the particular needs and problems of land-locked developing countries

(b) Specific action related to the particular needs and problems of island developing countries

17. Trade relations among countries having different economic and social systems and all trade flows resulting therefrom

Appropriate bilateral and multilateral action to expand and diversify further the trade flows among these countries and, in particular, measures which would contribute to the development of developing countries.

18. Economic co-operation among developing countries

(a) Consideration of UNCTAD's work programme on measures for strengthening economic co-operation among developing countries

(b) Recommendations for improved institutional arrangements to promote and strengthen economic co-operation among developing countries

(c) Measures of support for closer economic co-operation among developing countries

19. Institutional issues

Consideration of measures to enable UNCTAD to carry out its role more effectively, including the rationalization and restructuring of its permanent machinery

20. Other business

21. Adoption of the report of the Conference to the General Assembly

7. At the same meeting, the Conference decided to allocate items 8-19 of its agenda to the Negotiating Groups for consideration and report (see section G below).

F. Credentials of representatives to the Conference (Agenda item 5)

1. Appointment of the Credentials Committee

8. The Conference, at its 146th meeting, on 7 May 1979, established a Credentials Committee composed of the same nine States as had been members of the General Assembly at its thirty-third session, namely: China; Denmark; India; Sierra Leone; Suriname; Thailand; Union of Soviet Socialist Republics; United States of America; Zaire.

2. Report of the Credentials Committee

9. At its 171st meeting, on 3 June 1979, the Conference, having considered the report of the Credentials Committee (TD/265),4/ adopted without dissent a resolution approving that report.5/

G. Constitution of Negotiating Groups
(Agenda item 3)

10. The Conference, at its 146th meeting, on 7 May 1979, established eight Negotiating Groups open to the participation of all members of the Conference, among which the items not dealt with by the Conference in the plenary were distributed as follows:

Negotiating Group I

Evaluation of the world trade and economic situation and consideration of issues, policies and appropriate measures to facilitate structural changes in the international economy, taking into account the interrelationships of problems in the areas of trade, development, money and finance with a view to attaining the establishment of a new international economic order and bearing in mind the further evolution that may be needed in the rules and principles governing international economic relations and UNCTAD's necessary contribution to a New International Development Strategy for the Third United Nations Development Decade (Item 8)

Institutional issues (Item 19)

Negotiating Group II

Developments in international trade (Item 9)

Manufactures and semi-manufactures (Item 11)

Negotiating Group III

Commodities (Item 10)

Negotiating Group IV

Monetary and financial issues (Item 12)

Negotiating Group V

Technology (Item 13)

Shipping (Item 14)

4/ For the report of the Credentials Committee, see annex IX below.

5/ See part one, section A, above, resolution 133 (V).

Negotiating Group VI

Least developed among developing countries (Item 15)

Land-locked and island developing countries (Item 16)

Negotiating Group VII

Trade relations among countries having different economic and social systems and all trade flows resulting therefrom (Item 17)

Negotiating Group VIII

Economic co-operation among developing countries (Item 18)

11. At its 146th and 147th meetings, on 7 and 8 May 1979, the Conference elected the following representatives as the officers of the Negotiating Groups:

Negotiating Group I

Chairman: Mr. M. Perez Guerrero (Venezuela)
Vice-Chairman: Mr. M. Taniguchi (Japan)

Negotiating Group II

Chairman: Mr. C. de Geer (Sweden)
Vice-Chairman: Mr. T. Spencer (Trinidad and Tobago)

Negotiating Group III

Chairman: Mr. J. Cuttat (Switzerland)
Vice-Chairman: Mr. G. Doh (Ivory Coast)

Negotiating Group IV

Chairman: Mr. L. Jayawardena (Sri Lanka)
Vice-Chairman: Mr. B. Crowe (United States of America)

Negotiating Group V

Chairman: Mr. J.R. Sanchis Muñoz (Argentina)
Vice-Chairman: Mr. D. Popov (Bulgaria)

Negotiating Group VI

Chairman: Mr. A.J. Nsekela (United Republic of Tanzania)
Vice-Chairman: Mr. M. Jozwiak (Poland)

Negotiating Group VII

Chairman: Mr. T. Fabian (Hungary)
Vice-Chairman: Mrs. R. Haresco (Philippines)

Negotiating Group VIII

Chairman: Mr. J.V. Gbeho (Ghana)
Vice-Chairman: Mr. K.E. Tygesen (Denmark)

H. Bureau of the Conference

12. In accordance with rule 22 of the rules of procedure of the Conference, the Bureau of the Conference consisted of the following 35 members: the President and the 33 Vice-Presidents of the Conference, and the Rapporteur of the Conference.

13. At its 146th meeting, on 7 May 1979, the Conference decided that the Chairmen and Vice-Chairmen of the Negotiating Groups, as well as the co-ordinators of regional groups, would be fully associated with the work of the Bureau of the Conference.

I. Appointment of "Friends of the Rapporteur"

14. At its 146th meeting, on 7 May 1979, the Conference agreed that the Rapporteur of the Conference should be assisted in the preparation of his draft report by a group of eleven "Friends of the Rapporteur", composed of two members each from Africa, Asia and Latin America, two members each from Groups B and D, and one member from China.

J. Establishment of a Contact Group of the President of the Conference

15. At its 169th meeting, on 30 May 1979, the Conference established a Contact Group of the President with the following composition: 9 members from the Group of 77 (3 from Africa; 3 from Asia; 3 from Latin America); 6 from Group B; 3 from Group D; and China. It was understood that, in line with traditional practice, the Contact Group would be open-ended.

K. Membership and attendance 6/

16. The following 144 States members of UNCTAD were represented at the fifth session of the Conference:

Afghanistan; Algeria; Angola; Argentina; Australia; Austria; Bahrain; Bangladesh; Barbados; Belgium; Benin; Bhutan; Bolivia; Botswana; Brazil; Bulgaria; Burma; Burundi; Byelorussian Soviet Socialist Republic; Canada; Cape Verde; Central African Empire; Chile; China; Colombia; Comoros; Congo; Costa Rica; Cuba; Cyprus; Czechoslovakia; Democratic Kampuchea; Democratic People's Republic of Korea; Democratic Yemen; Denmark; Djibouti; Dominican Republic; Ecuador; Egypt; El Salvador; Ethiopia; Fiji; Finland; France; Gabon; Gambia; German Democratic Republic; Germany, Federal Republic of; Ghana; Greece; Guatemala; Guinea; Guinea-Bissau; Guyana; Haiti; Holy See; Honduras; Hungary; India; Indonesia; Iran; Iraq; Ireland; Israel; Italy; Ivory Coast; Jamaica; Japan; Jordan; Kenya; Kuwait; Lao People's Democratic Republic; Lebanon; Lesotho; Liberia; Libyan Arab Jamahiriya; Luxembourg; Madagascar; Malawi; Malaysia; Mali; Malta; Mauritania; Mauritius; Mexico; Mongolia; Morocco; Mozambique; Nepal; Netherlands; New Zealand; Nicaragua; Niger; Nigeria; Norway; Oman; Pakistan; Panama; Papua New Guinea; Peru; Philippines; Poland; Portugal; Qatar; Republic of Korea; Romania; Rwanda; Samoa; Sao Tome and Principe; Saudi Arabia; Senegal; Sierra Leone; Singapore; Somalia; Spain; Sri Lanka; Sudan; Suriname; Swaziland; Sweden; Switzerland; Syrian Arab Republic; Thailand; Togo; Tonga; Trinidad and Tobago; Tunisia;

6/ The full list of participants in the fifth session of the Conference will be issued in TD/INF.18.

Turkey; Uganda; Ukrainian Soviet Socialist Republic; Union of Soviet Socialist Republics; United Arab Emirates; United Kingdom of Great Britain and Northern Ireland; United Republic of Cameroon; United Republic of Tanzania; United States of America; Upper Volta; Uruguay; Venezuela; Viet Nam; Yemen; Yugoslavia; Zaire; Zambia.

17. The Office of the Director-General for Development and International Economic Co-operation of the United Nations, the Department of International Economic and Social Affairs of the United Nations, the Department of Technical Co-operation for Development of the United Nations and the United Nations Centre for Transnational Corporations were represented.

18. The Economic and Social Commission for Asia and the Pacific, the Economic Commission for Africa, the Economic Commission for Europe, the Economic Commission for Latin America, the Economic Commission for Western Asia, the United Nations Industrial Development Organization, the United Nations Environment Programme and the World Food Council were represented.

19. The United Nations Development Programme and the United Nations Institute for Training and Research were represented.

20. The United Nations Conference on Science and Technology for Development and the United Nations Centre for Human Settlements were represented.

21. The United Nations Council for Namibia was represented.

22. The following specialized agencies were represented:

International Labour Organisation; Food and Agriculture Organization of the United Nations; United Nations Educational, Scientific and Cultural Organization; World Health Organization; World Bank; International Monetary Fund; Intergovernmental Maritime Consultative Organization; World Intellectual Property Organization. The International Fund for Agricultural Development and the secretariat of the General Agreement on Tariffs and Trade were also represented.

23. The following 29 intergovernmental bodies were represented:

African, Caribbean and Pacific Group of States; African Development Bank; African Groundnut Council; Arab Bank for Economic Development in Africa; Central African Customs and Economic Union; Commonwealth Secretariat; Council for Mutual Economic Assistance; Council of Arab Economic Unity; Customs Co-operation Council; European Economic Community; Inter-American Development Bank; Intergovernmental Council of Copper Exporting Countries; International Bank for Economic Co-operation; International Cocoa Organization; International Tin Council; International Wheat Council; Islamic Conference; Islamic Development Bank; Latin American Economic System; Mano River Union; OPEC Special Fund; Organisation for Economic Co-operation and Development; Organization of African Unity; Organization of American States; Organization of Arab Petroleum Exporting Countries; Organization of the Petroleum Exporting Countries; Permanent Secretariat of the General Treaty on Central American Economic Integration; Regional Co-operation for Development; World Tourism Organization.

24. The following 20 non-governmental organizations were represented:

General category: Afro-Asian People's Solidarity Organization; Christian Democratic World Union; Commission of the Churches on International Affairs; Friends World Committee for Consultation (Quakers); International Chamber of Commerce; International Christian Union of Business Executives; International Confederation of Free Trade Unions; International Co-operation for Socio-Economic Development; International Foundation for Development Alternatives; International Law Association; International Organization for Standardization; International Organization of Employers; World Confederation of Labour; World Federation of Trade Unions; World Peace Council.

Special category: Baltic and International Maritime Conference; Council of European and Japanese National Shipowners' Associations; International Cargo Handling Co-ordination Association; International Federation of Pharmaceutical Manufacturers Associations; Latin American Shipowners' Association.

25. The Palestine Liberation Organization was represented pursuant to General Assembly resolution 3237 (XXIX).

26. The Patriotic Front and the African National Congress were represented pursuant to General Assembly resolution 3280 (XXIX).

27. The South West African People's Organization was represented pursuant to General Assembly resolution 31/152.

L. Other business (Agenda item 20)

1. Periodic review by the Conference of the lists of States contained in the annex to General Assembly resolution 1995 (XIX) 7/

28. At the 146th meeting, on 7 May 1979, the President of the Conference welcomed the Kingdom of Tonga as the 159th State member of UNCTAD;

29. In conformity with paragraph 6 of General Assembly resolution 1995 (XIX), the Conference, at its 146th meeting on 7 May 1979, reviewed the lists of States contained in the annex to that resolution, as amended. The Conference approved the inclusion, in the appropriate lists of States, of the following countries which had become members of UNCTAD since the fourth session of the Conference:

In list A: Djibouti; Seychelles; Solomon Islands; Tonga.

In list C: Dominica.

2. Designation of intergovernmental bodies for the purposes of rule 80 of the rules of procedure 8/

30. At its 146th meeting, on 7 May 1979, the Conference decided that the Association of Natural Rubber Producing Countries, which had applied for designation under rule 80 of the rules of procedure of the Conference, 9/ should be so designated.

7/ See part one, section A, above, Other decision (a).

8/ See part one, section A, above, Other decision (b).

9/ The application by the Association of Natural Rubber Producing Countries, together with information on its history, structure and functioning, is contained in document TD/L.140.

31. At its 155th meeting, on 11 May 1979, the Conference decided that the Andean Reserve Fund, which had applied for designation under rule 30 of the rules of procedure, 10/ should be so designated.

3. Review of the calendar of meetings

32. At the 171st meeting, on 3 June 1979, the Conference adopted the revised calendar of meetings for the remainder of 1979, as contained in a note by the UNCTAD secretariat (TD/L.178), with a number of amendments, 11/ on the understanding that it would be reviewed at consultations to be held in July 1979 pursuant to Board decision 143 (XVI).

4. Expression of gratitude to the Government and people of the host country

33. At the 171st meeting, on 3 June 1979, the spokesman for the Group of 77 submitted a draft resolution expressing gratitude to the Government and people of the Philippines, the host country of the Conference at its fifth session. The Conference adopted this resolution by acclamation. 12/

H. Reports of the Trade and Development Board

34. At its 168th plenary meeting, on 21 May 1979, the Conference took note of the reports of the Trade and Development Board at its sessions held since the fourth session of the Conference, brought to its attention in a note by the UNCTAD secretariat (TD/246).

N. Financial implications of the actions of the Conference

35. At the 171st meeting, on 3 June 1979, the Conference took note of a summary statement of financial implications of the actions of the Conference (TD/L.103), 13/ on the understanding that it would be updated to take account of the decisions of the Conference at its closing meeting, and decided to submit it to the General Assembly through the Secretary-General of the United Nations for appropriate action by him and the competent legislative bodies of the United Nations.

36. The spokesman for Group B said that his Group had welcomed the statement on the meaning of statements of financial implications issued at the Conference. They noted in that connexion that financial implications were not necessarily additional to existing resources and thus did not take into account existing resources that might be redeployed. That statement had also indicated that the full impact of all resolutions and decisions of the Conference would be reviewed by the Secretary-General of UNCTAD and would be reflected in the proposed

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10/ The application by the Andean Reserve Fund, together with information on its history, structure and functioning, is contained in document TD/L.141.

11/ See part one, section A, above, decision 134 (V).

12/ For this resolution, see part one, section A, above, resolution 135 (V).

13/ This summary statement of financial implications, as subsequently updated, is reproduced in annex X below.

programme budget for 1980-81 and would relate the new tasks given to the secretariat by the Conference to existing resources. Like other Groups, Group D was seriously concerned about the most efficient use of the resources available. It therefore considered it important to make maximum use of redeployment of available and programmed resources for the implementation of the work programme now outlined. Group D looked forward to considering the full budgetary implications of the work programme of UNCTAD in the normal proceedings of the Working Party on the Programme Budget.

37. In this connexion, the spokesman for Group D and Mongolia had made a statement under item 13 concerning the approach of the Group D countries and Mongolia with respect to the statements of financial implications circulated in connexion with the decisions of the Conference.14/

O. Adoption of the report of the Conference to the General Assembly (Agenda item 21)

38. At the 171st meeting, on 3 June 1979, the Conference adopted the draft report on its fifth session (TD/L.164 and Add.1), subject to the customary editorial changes to be approved by the Rapporteur and on the understanding that the Rapporteur was authorized, in consultation with the group of the "Friends of the Rapporteur", to complete the report as appropriate.

P. Closure of the fifth session of the Conference

39. At the 171st meeting, on 3 June 1979, the President of the Conference made a statement 15/ and declared the fifth session closed.

14/ See part two, paragraphs 175-176 above.

15/ For the statement made by the President of the Conference at the closure of the session, see annex IV below.

ANNEX I

TEXTS REMITTED FOR FURTHER CONSIDERATION WITHIN THE PERMANENT MACHINERY OF UNCTAD

A. DRAFT RESOLUTIONS REFERRED TO THE TRADE AND DEVELOPMENT BOARD AT ITS NINETEENTH SESSION a/

Trade relations among countries having different economic and social systems, and all trade flows resulting therefrom

Draft resolution submitted by USSR on behalf of States members of Group D
[TD/L.189]

The United Nations Conference on Trade and Development,

Noting the beneficial effect of détente, the limitation of the arms race and the improvement of the international climate on the intensification of the international division of labour, the benefits of which could be enjoyed by all its participants, on all world trade flows and on the expansion of economic and scientific and technical co-operation between all groups of States,

Bearing in mind the fact that, in the period between the fourth and fifth sessions of the United Nations Conference on Trade and Development, trade between countries having different economic and social systems continued to be one of the most dynamic flows in international trade, and that in this sector of international economic relations there is considerable potential for the expansion and intensification of co-operation in all its aspects,

Convinced that relations between countries having different economic and social systems should be developed on the basis of equality and mutual advantage, of the relevant provisions of the recommendations of the United Nations General Assembly, of the Charter of Economic Rights and Duties of States, of the decisions adopted at the sixth and seventh special sessions of the United Nations General Assembly, of UNCTAD resolutions 15(II), 53(III), and 95(IV), and should be free of discrimination, artificial barriers and all manifestations of inequality,

Noting the great importance of the Final Act of the Conference on Security and Co-operation in Europe for the development of international co-operation,

Considering that differences in economic systems and in the organization of external economic relations in countries having different economic and social systems cannot serve as justification for discrimination and a selective approach in world trade and the international division of labour,

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a/ See, in this connexion, part one, section A, above, decision 116 (V).

Bearing in mind that, in organizing mutual co-operation, countries having different economic and social systems will continue to take account of the development interests of the developing countries with a view to strengthening their economy and national sovereignty.

I

Calls on the partners in East-West trade to endeavour to intensify and expand co-operation further on the basis of equality and mutual advantage, to promote the elimination of discriminatory economic, administrative, commercial and political obstacles in economic relations between these groups of countries, and not to permit the introduction of new restrictions or an increase in protectionism,

Recommends to the partners in this area of international economic relations that they should make greater use of such new large-scale forms of co-operation as long-term agreements and programmes of commercial, economic, industrial and scientific and technical co-operation, and in so doing to ensure that the implementation of such agreements and programmes has a stimulating effect on the development of trade and economic relations of both groups of countries with developing States,

Recommends that steps should be taken to develop tripartite co-operation and to embark upon tripartite projects with the participation of the socialist countries of eastern Europe, the market economy countries and the developing countries in the fields of industry, energy, agriculture, infrastructure and other sectors,

Calls on the partners in East-West trade to make efforts to diversify trade flows in both directions in order to eliminate the unbalanced nature of export-import patterns as well as growing imbalances in such trade, which might, in a number of instances, constitute an obstacle to an expansion of imports from the developing countries,

II

Calls upon the socialist countries of Eastern Europe and the developing countries to give new impetus to their mutually beneficial co-operation and to continue to expand the volume thereof by increasing the reliability of their mutual relations and by promoting their development on the basis of a long-term stable international division of labour,

Considers that the expansion of trade and the further shaping of a mutually beneficial division of labour between these countries, taking into account the specific needs and problems of the developing countries, can be achieved through the intensification by the partners of the forms of co-operation already in use and also through the introduction of new forms of co-operation, to which end it recommends:

1. The extension of the practice of concluding long-term intergovernmental agreements covering trade, credit relations, technical assistance, scientific and technical co-operation, and various forms of industrial co-operation and of specialization;

2. The elaboration on a bilateral basis of long-term programmes of economic, commercial and scientific and technical co-operation for periods of 10-15 years, the distinguishing features of which are that they encompass a wide range of sectors, define the largest projects to be carried out, and include, together with those that are now traditional, new spheres and forms of co-operation, including industrial co-operation and specialization, compensatory agreements, joint participation in the planning and construction of projects in third countries, and co-operation in the fields of planning and science and technology.

3. The adoption of measures to ensure that the execution of such programmes for co-operation on a long-term planned basis: contributes to the further expansion of reciprocal trade and to greater balance in its composition through the extension, in accordance with the needs and possibilities of the partner countries, of the range of goods delivered in each direction; and provides opportunities for a determined search for the best ways of intensifying the division of labour through means including the expansion in the developing countries of certain types of production for which local conditions are conducive;

4. The uniting of efforts with interested developing countries in the integrated achievement of their main economic objectives, that is, not merely in the creation of individual enterprises and branches, but also in the establishment of territorial-industrial (industrial and agro-industrial) complexes as organic parts of the national economic systems of individual developing countries, in keeping with the specific conditions obtaining in them;

5. The expansion of assistance to developing countries in the exploitation of their natural resources under conditions which guarantee genuine sovereignty and respect for the legitimate rights of the co-operating parties;

6. The encouragement on the basis of, inter alia, the extension to the developing countries of non-reciprocal tariff preferences, of purchases of the manufactures and semi-manufactures produced by the national industries of those countries; the continuation of efforts to improve and perfect the national systems of preferences in operation in the socialist countries of Eastern Europe, particularly through the elaboration and application of unified rules of origin in respect of goods from developing States and the introduction of duty-free importing of goods from the least developed countries;

7. The continuation of the practice of including in agreements and contracts, when this is mutually acceptable and feasible, provisions on the repayment of loans by deliveries and the purchase on commercial terms of the output of enterprises which are built in developing States with the assistance of the socialist countries of Eastern Europe;

8. The continuation of: efforts to improve the work of bilateral intergovernmental commissions (committees) on commercial, economic and scientific and technical co-operation, with a view to further enhancing their role in the organization and administration of mutual co-operation and in the determination of prospects for its development; the adjustment and expansion of contacts between the planning organs of the socialist and the developing countries; and the provision to interested developing countries of assistance in the preparation of economic development plans and programmes in fields including that of foreign trade;

9. When specific problems arise, the conduct on a bilateral basis with the developing country concerned, and with due regard for mutual interests, of a search for mutually acceptable solutions to questions of the volume and conditions of economic and technical co-operation and the related credits, including the repayment of such credits;

10. Co-operation between the interested socialist and developing countries, when this is expedient and mutually acceptable, in the creation of joint companies, particularly construction, design and consultancy firms, to carry out engineering work or provide engineering services on a contractual basis, with extensive employment of national firms as sub-contractors;

11. The strengthening of the multilateral components of trade and economic relations through, in particular, assistance in the arrangement of multilateral co-operation between the Council for Mutual Assistance and individual developing countries and their economic organizations;

12. The continued expansion of co-operation in the execution of UNCTAD's programmes of technical assistance to developing countries through, inter alia, the provision of the services of experts and the organization of seminars with a view to a better understanding of the characteristic features of the socialist countries' foreign trade.

III

Notes the willingness of the socialist countries of Eastern Europe to continue, on the basis of the principles which guide them in their relations with other countries, to develop economic and technical co-operation with the developing countries which is aimed at the strengthening of the State sector in those countries, the execution of integrated projects, and the development in the developing countries of their own infrastructure, science and arrangements for the training of specialists, so as to ensure that such co-operation makes a greater contribution to the development of the developing countries' national economies, the strengthening of their economic independence, and the enhancement of their industrial and scientific and technical potential, and that it also contributes to the further expansion of commercial and economic relations and the intensification of the division of labour with the socialist countries of Eastern Europe on a long-term, stable and mutually beneficial basis.

IV

Recommends that, in order to expand their commercial and economic co-operation with the socialist countries of Eastern Europe, the developing countries should intensify their efforts to study and exploit the potential market opportunities in those countries and to create conditions for trade with the socialist countries which are no less favourable than those granted to market economy countries.

V

Invites the Secretary-General of UNCTAD to expand UNCTAD's technical assistance activities in its capacity as a UNDP executing agency in the field of trade between the developing countries and the socialist countries of Eastern Europe by organizing courses for the training of specialists, consultancy services, and the dissemination of information. To this end, the United Nations Development Programme should continue to finance UNCTAD technical assistance projects in this field on an interregional, regional and national basis;

Further invites the Secretary-General of the Conference to take steps to strengthen the services of the UNCTAD secretariat with a view to ensuring support for the technical assistance projects, including the comprehensive programme for the period 1979-1981 on which agreement has been reached between UNCTAD, UNDP, the regional economic commissions and the UNCTAD/GATT International Trade Centre;

Calls upon the socialist countries of Eastern Europe and the developing countries to take an active part, and upon UNDP, UNCTAD, the regional economic commissions and the UNCTAD/GATT ITC to provide all possible assistance, in the execution of that comprehensive programme.

Trade relations among countries having different economic and social systems and all trade flows resulting therefrom

Draft resolution submitted by Cuba on behalf of States members of the Group of 77 [TD/L.190]

The United Nations Conference on Trade and Development,

Recalling the importance and relevance of UNCTAD resolution 95 (IV) to this agenda item and the need to implement it,

Taking into account the specific proposals of developing countries members of the Group of 77 as contained in the Arusha Programme for Collective Self-Reliance,

Noting that, although progress has been made in trade and economic relations between the developing countries and the socialist countries of Eastern Europe, nevertheless those relations could be greatly increased and improved,

Considering the urgent and important need for the developing countries to diversify, increase and improve their over-all economic and trade relations, and taking into account the present situation of the international economy, as well as the growing protectionism, it is necessary for the economic and trade relations between developing countries and the socialist countries of Eastern Europe to be developed and strengthened in conformity with the objectives of the New International Economic Order.

Emphasizing that among some of the elements which could contribute to the achievement of a greater and better economic relationship between developing countries and socialist countries of Eastern Europe are, inter alia, the need for planning trade by means of long-term agreements and contracts; consideration of comprehensive approaches to economic relations instead of attention focused exclusively on trade; the greater capacity of the developing countries to formulate policies for foreign economic relations and to achieve their implementation; attaining a mutual expansion of trade based on the principle of non-reciprocity; and a greater impact of multilateral approaches.

Urges the socialist countries of Eastern Europe to play an increasingly more active role in bringing about the early establishment of the New International Economic Order,

Decides to adopt a comprehensive programme on trade and economic relations among countries having different economic and social systems. Such a programme should embody the establishment of new and improvement of existing instruments for the promotion of economic and trade relations and should embody inter alia the following measures:

1. Expansion and improvement of preference schemes

(i) The socialist countries of Eastern Europe should expand and improve without delay their schemes of generalized preferences. A preferential duty free entry should be granted to all manufactured products of developing countries, particularly those based on processing of their commodities and raw materials as well as on all tropical products;

(ii) Action should be taken by the socialist countries of Eastern Europe to remove all forms of tariff and non-tariff barriers, on the basis of non-reciprocity and non-discrimination;

(iii) Such expansion and improvements should, inter alia, aim at increased imports of manufactured and semi-manufactured products from developing countries.

2. Payments arrangements

Bearing in mind the limited progress made in the field of payments the following measures should be implemented:

(i) All payments should be made in convertible currency, except in those cases where developing countries express a preference for or interest in other special arrangements like the clearing account system;

(ii) If a clearing agreement is discontinued, repayment by the developing countries of credits foreseen to be effectuated in products should continue to be made on the basis of the previous terms and at equitable and remunerative prices;

(iii) Improvement in the payments arrangements between developing countries and socialist countries of Eastern Europe by, inter alia, the use of transferable roubles, so that developing countries if they wish can use their surplus balances in transactions with other CMEA countries, or transfer such balances into convertible currencies.

3. Trade development potentials for exports of developing countries

(i) The socialist countries of Eastern Europe should take the necessary measures to identify and accommodate in their medium and long-term plans the potential areas of trade development with developing countries, particularly in the field of manufactured and semi-manufactured products, without prejudice to developing countries' traditional exports. In this manner, developing countries would be aware of the import potential that the socialist countries of Eastern Europe would have for their exports, particularly in sectors where developing countries have a comparative advantage;

(ii) The socialist countries of Eastern Europe should adopt other policy measures which would ensure the growth of demand in their countries for products of developing countries and the consequent imports from the latter. These policy measures should result in reserving and increasing the share for the developing countries in the markets and import programmes of the socialist countries of Eastern Europe, especially in the import market for processed and semi-processed goods. Special measures could also include sub-contracting and tripartite ventures.

4. Establishment of joint ventures

(i) Where developing countries consider it to be advantageous, joint ventures among countries having different economic and social systems should be promoted and established, particularly in the field of industry, agriculture and trade. The socialist countries of Eastern Europe should encourage and participate in such efforts. Such joint ventures should include effective participation of nationals of developing countries and greater utilization of local materials;

(ii) The objectives of such joint ventures should be to promote the industrialization of developing countries and to increase the exports of manufactured and semi-manufactured products from these countries.

5. Financial assistance

(i) The socialist countries of Eastern Europe should accelerate their financial assistance to developing countries with a view to meeting the target of 0.7 per cent of ODA set out in the Second United Nations Development Strategy before the end of 1980;

(ii) The socialist countries of Eastern Europe should adopt the necessary measures which would make the Special Fund of the International Investment Bank effective, so that its available resources should be provided to developing countries for the identification and financing of national, subregional and regional projects directly or through the regional development banks;

(iii) Through this bank, the socialist countries of Eastern Europe should arrange and improve the use of resources earmarked for financial assistance to developing countries by, inter alia, increasing the share of convertible currencies therein and lowering the rates of interest levied on borrowings in convertible currency by developing countries.

6. Multilateral co-operation and technical assistance

The Conference urges the encouragement of multilateral approaches which will make possible relations between one or several countries of one group and one or several countries of the other group through the corresponding secretariats of their economic groupings.

In this context, action should be taken to set up joint intergovernmental commissions between developing countries and socialist countries of Eastern Europe in order to facilitate trade and economic co-operation, the exchange of information, mutual knowledge and contacts and to promote co-operation between their chambers of commerce.

The Conference invites developing countries and socialist countries of Eastern Europe to take measures to improve the flow of information through UNCTAD and other available channels on the characteristics and structures of their corresponding external sectors in order to create and improve appropriate institutional arrangements between them to solve the difficulties which their economic relations might face as well as for promotion, considering broad participation of the economic agents involved. To this effect:

(i) The socialist countries of Eastern Europe should increase the level of technical assistance given to developing countries, in particular for the training of high-level staff from the developing countries in the technical and scientific fields and assistance in the establishment of technical and scientific institutions or centres in these countries;

(ii) The socialist countries of Eastern Europe with technical advice from the UNCTAD secretariat if so requested should assist interested developing countries in the effective utilization of trade, economic and technical co-operation agreements between the developing countries and the socialist countries of Eastern Europe;

(iii) The International Investment Bank and its member countries should submit concrete proposals on effective utilization of The Special Fund for financing programmes of economic and technical assistance to interested developing countries.

7. Institutional matters

The Conference reaffirms the provisions of the Conference resolution 95 (IV) and recommends to the Trade and Development Board that it evaluates regularly the implementation of the present resolution.

(i) The Intergovernmental Group of Experts on Trade Opportunities should be reconvened to consider, inter alia, the adoption and implementation of the proposals of the Group of 77 submitted to it;

(ii) The Intergovernmental Group of Experts to study a multilateral system of payments between socialist countries of Eastern Europe and developing countries should also be reconvened, the terms of reference of which should be defined by the Trade and Development Board at its twentieth session taking fully into account the relevant provisions of this resolution, after appropriate consultations to be undertaken by the Secretary-General of UNCTAD with member countries.

The Conference requests the Secretary-General of UNCTAD:

(i) To intensify the actual technical assistance activities in order to respond more effectively to the requests and needs of the developing countries in this field. In this respect more specific training courses, wider dissemination of practical trade and economic information should be further arranged in close co-operation with the United Nations regional economic commissions;

(ii) To improve the advisory services to the developing countries which so request in order to assist them in the formulation and implementation of specific policies aimed at promoting and developing trade and economic co-operation with the socialist countries of Eastern Europe;

(iii) UNCTAD should upon request continue to organize bilateral and multilateral consultations not only at regular sessions of the Board, but also outside its framework on specific issues;

(iv) To report to the appropriate sessions of the Trade and Development Board on action undertaken in implementing the various recommendations and requests contained in this resolution.

The Conference requests the UNDP to increase its support of the activities mentioned in this resolution.

B. DRAFT PROPOSAL REMITTED TO THE TRADE AND DEVELOPMENT BOARD FOR ITS CONSIDERATION b/

Documentation problems and their effect on the work programme of UNCTAD c/

Draft proposal submitted by the representative of the Philippines and sponsored by the States members of the Group of 77

C. DRAFT RESOLUTIONS REMITTED TO THE PERMANENT MACHINERY OF UNCTAD IN CONNEXION WITH THE REMITTAL OF AGENDA ITEMS 12 (d) and 12 (e) d/

Debt problems of developing countries e/

Draft resolution submitted by Cuba on behalf of the States members of the Group of 77

[TD/L.196]

The Conference,

Noting with grave concern the rising debt service payments and current account deficits of developing countries stemming from maladjustments in the world economy, inadequate flows of development assistance and balance-of-payments finance on appropriate terms and conditions, high costs of loans from private capital markets, deterioration in the terms of trade and loss of export revenues caused by protectionist policies in developed countries,

Stressing that the rising debt service payments have jeopardized the development process in many developing countries,

Convinced that the strengthening of international financial co-operation with respect to the debt problems of developing countries is one of the most important tasks before the international community,

Recognizing in this context the specially difficult circumstances of the least developed and most seriously affected countries,

Noting with satisfaction the adoption of Resolution 165 (S-IX) by the Ministerial session of the Trade and Development Board,

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b/ See, in this connexion, part one above, section A.2, Other decision (c), and part two, paragraph 257.

c/ The text of this draft proposal is contained in the report of the Trade and Development Board on its eighteenth session (Official Records of the General Assembly, Thirty-third session, Supplement No. 15 (A/33/15), Vol. II, annex IV, part A.

d/ See, in this connexion, part one, section A.2 above, Other decisions (h) and (i), and part two, paras. 147 and 150.

e/ Draft resolution submitted under agenda item 12 (d).

Stressing however that the adoption of this resolution will be of little purpose unless it is fully implemented in letter and spirit,

Noting with appreciation that several developed donor countries have announced their intention to implement the resolution,

Noting, however, with concern that a few developed donor countries have not extended the benefit of their actions to all the poorer developing countries, but have restricted it to a narrower group,

A. Retroactive terms adjustment - part A of Resolution 165 (S-IX)

(i) Invites developed countries which have already taken some actions in favour of some developing countries affected by the resolution to extend these actions to cover the ODA debt of all the poorer developing countries described in the resolution without discrimination on any ground,

(ii) Urges developed countries which have not yet done so, to take, as early as possible, the necessary steps to fully implement Part A of the above-mentioned resolution; to benefit all the poorer developing countries covered by the resolution without discrimination,

(iii) Further invites the Secretary-General of UNCTAD to keep this matter under close and continuous review and report to the Trade and Development Board on the coverage, degree of adjustment and speed of implementation of actions taken by developed donor countries in pursuance of Part A of Resolution 165 (S-IX).

B. Multilateral framework for future debt operations - Part B of Resolution 165 (S-IX)

(i) Agrees that the detailed features negotiated in the light of the basic concepts contained in resolution 165 (S-IX) Part B (as contained in the annex to this resolution) should serve as international guidelines for future debt operations of interested developing countries,

(ii) Decides to establish an International Debt Commission comprising eminent public figures with recognized knowledge and experience of debt problems and economic development. Any interested developing country which believes it has, or may have a debt problem could address itself to the Commission.

The Commission will:

1. examine the debt and development problems exclusively at the initiative of the requesting country;

2. in the light of such examination and in accordance with the modalities of the detailed features, make recommendations on measures required to deal with the debt problem in the broader context of development including measures of debt reorganization and additional bilateral and multilateral finance, and

3. convene a meeting of all parties concerned with a view to implementing the recommendations under (2.) above.

In carrying out its work, the Commission will be assisted throughout by relevant international organizations including UNCTAD. This procedure and the detailed features drawn up in terms of resolution 165 (S-IX) will assure a global approach in which countries in similar situations will be treated similarly.

(iii) Urges concerned developed countries and relevant international institutions to co-operate fully with the working of the International Debt Commission and so ensure that the objectives defined in the detailed features are realized in each case.

C. Request further the Secretary-General of UNCTAD to bring into operation as soon as possible the International Debt Commission and the detailed features.

An effective system of international financial co-operation f/

Draft resolution submitted by Cuba on behalf of the States members of the Group of 77

/TD/L.197/

The Conference,

Recognizing the role played by the transfer of resources to developing countries in accelerating their development process,

Reiterating the international community's commitment to provide sufficient volume of resources on appropriate terms and conditions to meet the needs of external finance of developing countries in order to obtain internationally-agreed development objectives,

Deploring the failure of concessional financial transfers to rise in conformity with the 0.7 per cent target established in resolution 2626 (XXV) of the General Assembly on the International Development Strategy,

Noting the development of new sources of financial inflows to developing countries, in particular the active role played by international capital markets,

Noting however with concern the failure of multilateral financial institutions to provide adequate financial transfers in appropriate forms, particularly in non-project lending, to meet the needs of developing countries,

Noting further with grave concern the failure of existing arrangements for compensatory finance and balance-of-payments support to offset fully the losses in purchasing power of exports of developing countries due to maladjustments in the international economy and the conditionality on balance-of-payments resources which often compromises the development process of developing countries,

Convinced that there should be a global approach to the transfer of resources as an issue encompassing as it does ODA, trade, flow of private capital and investment and other international payments in view of the interrelationship between these flows and of the necessity of avoiding that some flows cancel or otherwise adversely affect others.

1. Agrees that an effective system of international financial co-operation should meet, inter alia, the following objectives:

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f/ Draft resolution submitted under agenda item 12 (e).

(a) Ensure the transfer of real resources to developing countries adequate to meet the external capital needed to achieve the development objectives.

(b) The form and composition of these capital flows shall be consistent with the development plans of recipient developing countries and fully responsive to their investment and development priorities including sectoral allocations: these capital flows should have inter alia, the following characteristics: quickly disbursing, untied, programme, so as to enable their rapid and effective utilization;

(c) This transfer of real resources shall be on terms commensurate with the debt servicing capacity of the developing countries and their own development objectives. This would imply that notwithstanding the importance of private flows the bulk of the resource transfer shall be in the form of concessional flows;

(d) In order to achieve this, the developed countries that have failed so far to reach the ODA target, should sharply increase their ODA to reach this internationally accepted target;

(e) Private capital flows to developing countries shall be sustained on improved terms and conditions. Capital market regulations in developed countries should be liberalized in order to ensure the improved access of developing countries to these markets;

(f) In the context of transfer of real resources to developing countries the need for more concessional transfers to least developed, IDA, landlocked and island developing countries shall receive special attention;

(g) In addition to securing adequate long-term capital flows the system of international financial co-operation shall provide necessary financial resources including Fund quota increases, longer-term balance-of-payments financing and compensatory finance to offset shortfalls in the purchasing power of exports and to meet unforeseen import needs of individual developing countries. These financial resources shall be available on appropriate terms and conditions and should be fully supportive of the country's development programme.

(h) This system of financial co-operation shall also provide for a multilateral framework for future debt operations of interested debtor developing countries that safeguards their development programmes on the basis of Trade and Development Board resolution 165 (S-IX);

(i) The transfer of real resources shall be placed on an increasingly assured, continuous and automatic basis, providing reasonable certainty to recipient countries in making their development and investment programmes. There should be an assessment at an international level of the necessary contributions of developed donors and multilateral financial institutions. Means should be found in the form of an international covenant to ensure that transfer of resources take place in a way consistent with this international assessment;

(j) The policies of multilateral financial and monetary institutions and their treatment of individual countries should be fully consistent with the priorities and development objectives of the countries concerned and those established by the international community in the United Nations General Assembly;

(k) Developing Countries should enjoy an equitable share in the decision-making process at the international level on matters affecting the international

monetary and financial systems including decision-making in specialized agencies competent in these areas;

(l) There should be regular monitoring to ensure that inadequate functioning of any of the components of the system of international financial co-operation is remedied promptly;

(m) The transfer of resources should be adequate in volume, terms and conditions to meet the development finance needs of all developing countries.

2. Decides that the aforementioned basic elements should constitute, amongst others, a system of international financial co-operation, in the strong belief that it will reflect the interests of the international community as a whole and requests the Secretary-General of UNCTAD to convene an intergovernmental group of experts to consider how a system of financial co-operation based on these principles can be evolved.

D. DRAFT RESOLUTIONS REMITTED TO THE PERMANENT MACHINERY OF UNCTAD g/

Transnational corporations and international commodity trade h/

Draft resolution submitted by the German Democratic Republic on behalf of Bulgaria, Byelorussian SSR, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, Poland, Ukrainian SSR, and USSR

[TD/L.195]

The United Nations Conference on Trade and Development,

Recalling the Declaration on the Establishment of a New International Economic Order, and in particular paragraph (d) thereof, the Programme of Action on the Establishment of a New International Economic Order, and in particular section V thereof on regulation and control over the activities of TNCs, as well as the Charter of Economic Rights and Duties of States;

Bearing in mind the appeal addressed to the Commission and the Centre on Transnational Corporations to take particular account of the results of UNCTAD activities relevant to their work.

Recognizes that TNCs constitute the material basis of neo-colonialism, namely, the system of international economic relations based on inequality, diktat and exploitation;

Recognizes that TNCs, though their significant impact on world trade in commodities, bear the main responsibility for the difficulties encountered in implementing the Integrated Programme for Commodities;

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g/ See, in this connexion, part one, section A.2, above, Other decisions (e) and (g), and part two, paras. 89 and 127.

h/ Draft resolution submitted under agenda item 10 (a).

Reaffirms the sovereign right of each country to full and inalienable sovereignty over its natural resources;

Reaffirms the right of each country to exercise effective control over its natural resources and over their exploitation, including the right to nationalization;

Reaffirms once again the right of each country to regulate and control the activities of TNCs by the adoption of measures in the interests of the national economy of the countries in which TNCs operate;

Recommends that measures should be taken at the national and international level to increase the independent participation of national enterprises in expanding the production and processing of, and foreign trade in, commodities, thereby reducing the sphere of activities of TNCs in the interest of the more effective development of the national economy;

Requests the Secretary-General of UNCTAD:

(a) To initiate studies of TNC activities, including methods of monopolistic price formation and restrictive business practices in markets for commodities covered by the Integrated Programme;

(b) To formulate, on the basis of the above studies, recommendations aimed at strengthening the sovereignty of the developing countries over their national resources, also taking into account the further development of the State sector and the consolidation of the position of the developing countries in their negotiations with TNCs on the conclusion of agreements on the production, processing, transport and export of commodities of the developing countries;

In this connexion it is considered desirable that the UNCTAD secretariat should prepare analyses, on a systematic and long-term basis, of the structure of TNC trade in respect of each commodity, paying particular attention to products covered by the Integrated Programme for Commodities;

(c) To formulate, within the framework of UNCTAD, measures and recommendations for the control of the activities of TNCs and their subsidiaries, particularly in respect of processing, marketing and price formation, which adversely affect trade in commodities from the developing countries, paying particular attention to control over transactions effected through intra-corporation channels by means of the transfer price system.

Invites UNCTAD to co-operate fully with the Commission and the Centre on Transnational Corporations with a view to contributing effectively to their work.

The transfer of real resources to developing countries i/

Draft resolution submitted by Cuba on behalf of
States members of the Group of 77

[TD/L.186]

Attention should be given to the establishment of a separate multilateral guarantee facility for the borrowings of interested developing countries and to the amendments of appropriate articles of agreement of multilateral financial institutions in order to enable them to provide guarantees more easily, including partial guarantees on the borrowings of interested developing countries from private capital markets. These steps should be taken in such a way so as to ensure that they bring additional capital flows to the developing countries concerned and do not in any way adversely affect the access to capital markets already enjoyed by some developing countries as well as by multilateral financial institutions.

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i/ Draft resolution submitted under agenda item 12 (b).

ANNEX II

LIST OF HEADS OF DELEGATION, CHIEF EXECUTIVE OFFICERS OF INTERGOVERNMENTAL BODIES AND OTHER REPRESENTATIVES AND OBSERVERS WHO MADE STATEMENTS DURING THE GENERAL DEBATE

States members of UNCTAD

		Date	Number of plenary meeting
Afghanistan	Mr. Abdul Qudus Ghorbandi	15.5.79	159
Algeria	Mr. Abdelghani Akbi	17.5.79	163
Angola	Mr. Roberto de Almeida	15.5.79	160
Argentina	Mr. Alejandro Estrada	9.5.79	149
Australia	Mr. Malcolm J. Fraser	9.5.79	150
Austria	Mr. Georg Reisch	8.5.79	147
Bangladesh	Mr. M. Saifur Rahman	9.5.79	149
Barbados	Mr. H.B. St. John	10.5.79	159
Belgium	Mr. Mark Eyskens	10.5.79	15[illegible]
Benin	Mr. André Atchadi	21.5.79	167
Bhutan	Mr. Om Pradhan	16.5.79	161
Bolivia	Mr. Xavier Caballero Tamayo	16.5.79	161
Brazil	Mr. George A. Maciel	8.5.79	147
Bulgaria	Mr. Hristo Hristov	10.5.79	15[illegible]
Burma	U Tun Tin	9.5.79	149
Burundi	Mr. Térence Sanzé	21.5.79	16[illegible]
Byelorussian Soviet Socialist Republic	Mr. M.F. Zavorotnyi	10.5.79	155
Canada	Mr. L.A.H. Smith	9.5.79	150
Central African Empire	Mrs. Marie José Kossi Maythongol	9.5.79	151
Chile	Mr. Enrique Valdes Puga	11.5.79	156
China	Mr. Liu Xiwen	10.5.79	15[illegible]
Colombia	Mr. Alfonso Palacio-Rudas	1[illegible].5.79	15[illegible]
Comoros	Mr. Abdellahi Mohamed	21.5.79	167
Costa Rica	Mr. Fernando Altmann Ortiz	17.5.79	164
Cuba	Mr. Marcelo Fernandez Font	1[illegible].5.79	157
Czechoslovakia	Mr. Richard Hlavaty	10.5.79	155
Democratic Kampuchea	Mrs. Ieng Thirith	17.5.79	16[illegible]
Democratic People's Republic of Korea	Mr. Li Song Rok	17.5.79	16[illegible]

States members of UNCTAD (continued)

		Date	Number of plenary meeting
Democratic Yemen	Mr. Ahmed Obaid Fadhle	14.5.79	157
Denmark	Mrs. Lise Oestergaard	10.5.79	152
Ecuador	Mr. Ridrigo Valdez	18.5.79	166
Egypt	Mr. Ali Gamal El Nazer	18.5.79	165
Ethiopia	Mr. Ashagre Yigletu	16.5.79	162
Fiji	Mr. Epeli Kacimaiwai	15.5.79	160
Finland	Mr. Eero Rantala	9.5.79	150
France	Mr. René Monory a/	8.5.79	148
Gabon	Mr. Thierry Moussavou	18.5.79	166
German Democratic Republic	Mr. Horst Soelle	14.5.79	158
Germany, Federal Republic of	Mr. Otto Graf Lambsdorff	9.5.79	150
Ghana	Colonel K.A. Quashie	11.5.79	155
Greece	Mr. Stavros Dimas	11.5.79	156
Guatemala	Mr. Valentín Solorzano Fernandez	16.5.79	161
Guinea	Mr. Daouda Kourouma	21.5.79	167
Guinea-Bissau	Mr. Vasco Cabral	16.5.79	162
Guyana	Mr. Rashleigh E. Jackson	14.5.79	158
Haiti	Mr. Guy Bauduy	14.5.79	157
Holy See	Reverend Father Roger Heckel	15.5.79	160
Hungary	Mr. Istvan Török	15.5.79	160
India	Mr. Mohan Dharia	8.5.79	147
Indonesia	Mr. Widjojo Nitisastro	8.5.79	148
Iran	Mr. Cyrus Ebrahim Zadeh	11.5.79	156
Iraq	Mr. Mahdi M. Ouda Al-Obaidi	11.5.79	155
Ireland	Mr. David Andrews	10.5.79	154
Israel	Mr. Mayer Gabay	16.5.79	162
Italy	Senator Mario Pendini	10.5.79	153
Ivory Coast	Mr. Seri Gnoleba	11.5.79	156
Jamaica	Mr. Percival J. Patterson	9.5.79	149
Japan	Mr. Masayoshi Ohira	10.5.79	153

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a/ Spoke also in his capacity as President of the Council of Ministers of the European Economic Community

States members of UNCTAD (continued)

		Date	Number of plenary meeting
Jordan	Mr. Nejib Eddin Dajani	11.5.79	156
Kenya	Mr. Eliud T. Mwamunga	15.5.79	159
Kuwait	Mr. Hassan A. Al-Ebraah	9.5.79	149
Lao People's Democratic Republic	Mr. Khamphay Boupha	16.5.79	160
Lesotho	Mr. Mooki V. Molapo	17.5.79	161
Liberia	Mr. Edward Sumo Jones	15.5.79	159
Libyan Arab Jamahiriya	Mr. Musbah El-Greibi	17.5.79	161
Luxembourg	Mr. Julien Alex	10.5.79	152
Malaysia	Mr. Mahathir Mohamed	15.5.79	159
Malta	Mr. L.P. Mizzi	18.5.79	166
Mauritius	Mr. D. Dasant Rai	18.5.79	165
Mexico	Mr. Jorge de la Vega Dominguez	11.5.79	156
Mongolia	Mr. Yongongiin Ochir	14.5.79	157
Morocco	Mr. Azzeddine Guessous	18.5.79	166
Mozambique	Mr. Manuel dos Santos	15.5.79	159
Nepal	Mr. Shree Bhadra Sharma	14.5.79	158
Netherlands	Mr. G.M.V. van Aardenne	8.5.79	148
New Zealand	Mr. H.C. Templeton	9.5.79	149
Niger	Mr. Lambert Nessan	17.5.79	161
Nigeria	Mr. I.U.N. Osisiogu	11.5.79	155
Norway	Mr. Knut Frydenlund	14.5.79	157
Oman	Mr. Hassan Mohammed Fodhr	15.5.79	160
Pakistan	Mr. Ghulam Ishaq Khan	10.5.79	153
Panama	Mr. Jorge E. Illueca	21.5.79	167
Papua New Guinea	Mr. Nivia Toia Olewale	10.5.79	154
Peru	Mr. Felipe Valdivieso	10.5.79	165
Philippines	The Hon. Mrs. Imelda Romualdez Marcos	18.5.79	165
Poland	Mr. Jerzy Olszewski	10.5.79	157
Portugal	Mr. Abel Rapolho Correia	11.5.79	155
Qatar	Mr. Abdel Rahman Hamad Al Attiah	9.5.79	149
Republic of Korea	Mr. Tong-Jin Park	15.5.79	159
Romania	Mr. Cornel Burtica	8.5.79	148
Rwanda	Mr. Mathieu Ngirire	16.5.79	161
Saudi Arabia	Mr. Youssef Al-Hendan	10.5.79	153

States members of UNCTAD (continued)

		Date	Number of plenary meeting
Senegal	Mr. Serigne Lamine Diop	21.5.79	167
Sierra Leone	Mr. Abdulai O. Conteh	16.5.79	161
Singapore	Mr. Goh Chok Tong	8.5.79	148
Spain	Mr. M. de Marva	9.5.79	150
Sri Lanka	Mr. Lalith Athulathmudali	8.5.79	147
Sudan	Mr. Fawzi Wasfi	18.5.79	166
Suriname	Mr. W.C. Zuiverloon	17.5.79	164
Swaziland	Mr. Mqaba Dlamini	16.5.79	161
Sweden	Mr. Hadar Cars	8.5.79	148
Switzerland	Mr. P.R. Jolles	9.5.79	150
Syrian Arab Republic	Mr. Mustapha El Bittar	9.5.79	149
Thailand	Mr. Sunthorn Honladarom	11.5.79	155
Togo	Mr. Kossi Adorgloh	17.5.79	164
Tonga	Mr. S. Raghavan	15.5.79	160
Trinidad and Tobago	Mr. George Chambers	11.5.79	155
Tunisia	Mr. Slaheddine Ben M'Barek	8.5.79	147
Turkey	Mr. A. Gündüz Ökçün	15.5.79	159
Uganda	Mr. W. Ssemwogerere	21.5.79	167
Ukrainian Soviet Socialist Republic	Mr. Anatoly I. Evteev	10.5.79	154
Union of Soviet Socialist Republics	Mr. A.M. Menzhulo	15.5.79	160
United Arab Emirates	Sheikh Fahem Sultan El Qassimi	10.5.79	152
United Kingdom of Great Britain and Northern Ireland	Mr. M.H. Knighton	9.5.79	150
United Republic of Cameroon	Mr. Youssoufa Daouda	17.5.79	164
United Republic of Tanzania	Mr. Wilbert K. Chagula b/	8.5.79	147
	Mr. Alphonse M. Rulegura	17.5.79	164
United States of America	Mr. Andrew Young	11.5.79	156

b/ Spoke on behalf of the Group of 77.

States members of UNCTAD (continued)

		Date	Number of plenary meeting
Upper Volta	Mr. Amadou Diallo	15.5.79	160
Uruguay	Mr. Juan José Real	16.5.79	162
Venezuela	Mr. Leopoldo Díaz Bruzual	14.5.79	157
Viet Nam	Mr. Dinh Nho Liem	14.5.79	158
Yemen	Mr. Muhammad Hizam Alshohati	15.5.79	159
Yugoslavia	Mr. Branislav Ikonić	10.5.79	152
Zaire	Mr. Kialwama Kia Kiziki	9.5.79	151
Zambia	Mr. R. Chipsupa	16.5.79	162
	United Nations Secretariat		
Secretary-General of the United Nations	Mr. Kurt Waldheim	7.5.79	146
Secretary-General of UNCTAD	Mr. Gamani Corea	7.5.79	147
Department of International Economic and Social Affairs	Mr. J. Ripert	10.5.79	152
Department of Technical Co-operation for Development of the United Nations	Miss Margaret Anstee	14.5.79	158
United Nations Centre on Transnational Corporations	Mr. K.A. Schlgren	9.5.79	150
Economic and Social Commission for Asia and the Pacific	Mr. J.D.P. Mannnic	21.5.79	167
Economic Commission for Western Asia	Mr. N.Z. Ismail	21.5.79	169
United Nations Industrial Development Organization	Mr. Abd-El Rahman Khane	11.5.79	156
United Nations Environment Programme	Mr. S. Dotsev	16.5.79	161
World Food Council	Mr. Arturo R. Tanco	9.5.79	150
United Nations Development Programme	Mr. Bradford Morse	9.5.79	149
United Nations Conference on Science and Technology for Development	Mr. Hans Dirlmeier	17.5.79	165

		Date	Number of plenary meeting
United Nations organ			
United Nations Council for Namibia	Mr. O. Eralp	14.5.79	150
Specialized agencies			
International Labour Organisation	Mr. K.F. Yoshimura	14.5.79	157
Food and Agriculture Organization of the United Nations	Mr. Edouard Saouma	14.5.79	150
World Bank	Mr. Robert S. McNamara	10.5.79	152
International Monetary Fund	Mr. Jacques de Larosiere	11.5.79	155
World Intellectual Property Organization	Mr. Marino Porzio	10.5.79	152
General Agreement on Tariffs and Trade	Mr. Olivier Long	11.5.79	156
International Fund for Agricultural Development	Mr. A. Ardeshir	10.5.79	154
Intergovernmental bodies			
Asian-African Legal Consultative Committee	Mr. B. Sen	15.5.79	160
Central African Customs and Economic Union	Mr. Joseph Nyama	10.5.79	165
Commission of the European Economic Communities	Mr. Claude Cheysson	11.5.79	155
Council of Arab Economic Unity	Mr. Mohammed Hussein Al Fartoussi	17.5.79	164
Council for Mutual Economic Assistance	Mr. Asen Vellov	14.5.79	150
International Cocoa Organization	Mr. U.K. Heikman	16.5.79	161
International Tin Council	Mr. P.G. Lai	16.5.79	161
International Wheat Council	Mr. J.H. Parotte	16.5.79	161
Islamic Conference	Mr. Mohamed Boucetta a/	1.6.79	170
Organisation for Economic Co-operation and Development	Mr. Emile Van Lennep	10.5.79	153
Organization of Petroleum Exporting Countries	Mr. René Ortiz	9.5.79	150

a/ Spoke in his capacity as President of the Tenth Islamic Conference of Ministers for Foreign Affairs.

Non-governmental organizations

General category

		Date	Number of plenary meeting
Afro-Asian People's Solidarity Organization	Mr. Mouri Abdelrrazek	10.5.79	155
International Chamber of Commerce	Mr. Carl-Henrik Winquist	14.5.79	159
International Confederation of Free Trade Unions	Mr. V.G. Mathur	21.5.79	165
World Confederation of Labour	Mr. Juan C. Toro	21.5.79	165
World Federation of Trade Unions	Mr. E. Gregor	10.5.79	155
World Peace Council	Mrs. Josiane Martin Cisse	10.5.79	155

Special category

Latin American Shipowners' Association	Mr. Mario Frensini	10.5.79	155
African National Congress d/	Mr. [illegible] Molifi	21.5.79	165
Patriotic Front d/	Mr. I. Nyathi	21.5.79	165
Palestine Liberation Organization e/	Mr. M.Z. Kerhawi	21.5.79	165
South West African People's Organization f/	Mr. Den Amathila	21.5.79	165
First Secretary-General of UNCTAD	Mr. Raúl Prebisch	21.5.79	165

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d/ Invited to participate in the Conference pursuant to General Assembly resolution 3280 (XXIX).

e/ Invited to participate in the Conference pursuant to General Assembly resolution 3237 (XXIX).

f/ Invited to participate in the Conference pursuant to General Assembly resolution 32/120.

ANNEX III

ADDRESSES DELIVERED AT THE INAUGURAL CEREMONY ON 7 MAY 1979 a/

A. WELCOMING ADDRESS BY THE HON. IMELDA ROMUALDEZ MARCOS, FIRST LADY AND MINISTER FOR HUMAN SETTLEMENTS OF THE REPUBLIC OF THE PHILIPPINES AND GOVERNOR OF METRO MANILA

B. KEYNOTE ADDRESS BY HIS EXCELLENCY FERDINAND E. MARCOS, PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES

a/ The texts of these addresses will be reproduced in the printed Proceedings of the Conference.

ANNEX IV

CLOSING STATEMENT BY THE
PRESIDENT OF THE CONFERENCE

Before I formally adjourn this fifth session of the United Nations Conference on Trade and Development, permit me to thank all of you for your patience, sympathetic co-operation and support all throughout these difficult and trying weeks. Like me, you must have sometimes felt that we were running over into the sixth session.

I should also like to thank my distinguished and respected colleagues in the Bureau of the Conference, and particularly the overworked members of the UNCTAD secretariat, not forgetting the Philippine secretariat of the Conference, for their unstinting devotion to duty. Without their dedicated assistance and advice, we might still be here next year.

I believe that I am expressing your unanimous sentiments in thanking and congratulating the Chairmen, Vice-chairmen, and members of the eight Negotiating Groups, who have laboured long and hard, behind closed doors, sometimes, I am afraid, trying to open closed minds.

I have, of course, a personal debt of gratitude to the members of my Contact Group, who specialized in 'close encounters of the third kind' with the First, Second and Third Worlds. I thank them for bringing us out of orbit to a safe landing.

I must really bring this litany of appreciation to a close before I start thanking the limousine service - which I regret to inform you will cease at midnight tomorrow - but, speaking for my Government, and not as President of the Conference, I must acknowledge with sincere appreciation the kind words of several delegations. Their generous tributes to the hospitality of our Government and people will be conveyed to the President of the Philippines and the First Lady, the leader of our national delegation.

Let me assure you that the President and the First Lady have, from the very start of this session until this moment, taken an intense personal interest in its proceedings. As heads of delegations are aware, they have personally intervened in the process of accommodation between divergent interests. I like to think that our hospitality - their hospitality - has not been confined to creature comforts.

It has been a hospitality to ideas, to the various concepts of what our world is like, and what it should be and what it can be. That, I submit to you, is what UNCTAD is all about.

I am very much afraid that many people do not understand UNCTAD. UNCTAD, let it be said now clearly and unequivocally, is not an arena of confrontation between the rich and the poor of our world, between the industrialized and the developing nations, between the Group of 77 and Group B and Group D, between the so-called North and the so-called South.

I venture to suggest that the first, the second, the third, the fourth, and the fifth UNCTAD here in Manila, have really be market-places of ideas, where the peoples of the world, our common world, have been enabled to understand one another's needs and aspirations, to reconcile them when they are divergent or even conflicting, and to agree as far as possible on a common theory of the future.

What must be realized is that UNCTAD is a continuing Conference. It is not a one-shot affair. Its value lies precisely in its continuity, in keeping alive and mutually stimulating - I shall not say a dialogue, which implies only two parties, but a conversation, an open-ended discussion by peoples in various stages of development, on what they need, on what they want, on what they hope to get.

UNCTAD is really, when we come down to it, an accommodation. It cannot be, and it should not be, a Conference aimed at bare confrontation leading to imposition by predictable majorities of an unbalanced theory and practice of trade and development in our world today.

It is, quite simply and frankly, not realistic or practical for us to imagine that we can dictate a new international economic order by resolution. It just cannot be done, and those who think so are bound to be disappointed.

Confrontations can make headlines. But, as you very well know, although those on the outside may not always have realized it, we have been engaged, in these wearying weeks, in the much more arduous but also much more meaningful and fruitful process of adjustment, the adjustment, on a realistic and equitable basis, of the vital economic interests of the nations represented here.

And, of course, that has not been easy. In some cases, it has not even been possible, anyway not possible at this time. The reconciliation of the interests of 159 nations in greatly varying stages of economic development, of widely divergent doctrines and beliefs - some committed to the free play of market forces, others to the intervention and direction of governments - would have been problematical in any case.

At a time like this, of profound economic dislocations, when even the richest, the most efficient, and the most disciplined economies are perplexed by seemingly contradictory and irreconcilable movements in world trade, currencies, commodity prices, unemployment, inflation and stagnation, then our task, when we look back on it, must appear to have been hopeless.

Yet something has been done, something has been accomplished against all odds. The hour is late, and I shall not tax your patience with an elaborate enumeration of the agreements which have happily been reached.

But I feel I would be remiss in the fulfilment of my duties as your President if I failed to close with the most emphatic reiteration of the purposes of UNCTAD. As I said earlier, UNCTAD is a continuing Conference. It is an exchange of ideas, an adjustment and accommodation of national economic interests.

There have been no victories in UNCTAD V, and there have been no defeats.

We have not been fighting each other here. We have been seeking to agree, even if in some cases we have only agreed to disagree.

And so, my dear colleagues, and by now I believe I can call you my old friends, I shall thank you once again for your forbearance and support. May we meet again, in the same spirit of mutual understanding and sympathy in UNCTAD VI. And, let me add, if it should prove necessary to achieve our high and imperative objective of establishing a new international economic order, may we meet again and again and again until UNCTAD X.

I now hereby declare this fifth session of the Conference adjourned.

ANNEX V

MESSAGES RECEIVED BY THE CONFERENCE a/

A. MESSAGES FROM HEADS OF STATE OR GOVERNMENT

	Issued in document:
Hua Guofeng, Premier of the State Council of the People's Republic of China	TD/L.142
Mr. Fidel Castro Ruz, President of the Council of State and of the Government of the Republic of Cuba	TD/L.147
Mr. E. Honecker, General Secretary of the Central Committee of the Socialist Unity Party of Germany and Chairman of the Council of State of the German Democratic Republic	TD/L.146
His Holiness Pope John Paul II	TD/L.143
Mr. William R. Tolbert Jr., President of the Republic of Liberia	TD/L.149
Mr. Nicolae Ceausescu, President of the Socialist Republic of Romania	TD/L.145
Mr. A.N. Kosygin, Chairman of the Council of Ministers of the Union of Soviet Socialist Republics	TD/L.144
President Jimmy Carter of the United States of America	TD/L.148

B. OTHER MESSAGES

Tenth Islamic Conference of Ministers for Foreign Affairs	TD/L.150
Ministers of Foreign Affairs of the States members of the Cartagena Agreement	TD/L.151
Mr. Eden Kodjo, Secretary-General of the Organization of African Unity	TD/L.153
Latin American Energy Organization	TD/L.154
Secretary-General of the Organization of American States	TD/L.161

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a/ The texts of these messages, as they appear in the documents cited, will be reproduced in the printed Proceedings of the Conference.

ANNEX VI

ARUSHA PROGRAMME FOR COLLECTIVE SELF-RELIANCE AND FRAMEWORK FOR NEGOTIATIONS ADOPTED BY THE FOURTH MINISTERIAL MEETING OF THE GROUP OF 77 a/

[TD/236]

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a/ The text of the Arusha Programme will be reproduced in the printed Proceedings of the Conference.

ANNEX VII

DOCUMENTS SUBMITTED TO THE CONFERENCE BY CERTAIN GROUPS OF COUNTRIES a/

A. EVALUATION OF THE WORLD TRADE AND ECONOMIC SITUATION AND CONSIDERATION OF ISSUES, POLICIES AND APPROPRIATE MEASURES TO FACILITATE STRUCTURAL CHANGES IN THE INTERNATIONAL ECONOMY, TAKING INTO ACCOUNT THE INTERRELATIONSHIPS OF PROBLEMS IN THE AREAS OF TRADE, DEVELOPMENT, MONEY AND FINANCE WITH A VIEW TO ATTAINING THE ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER AND BEARING IN MIND THE FURTHER EVOLUTION THAT MAY BE NEEDED IN THE RULES AND PRINCIPLES GOVERNING INTERNATIONAL ECONOMIC RELATIONS AND UNCTAD'S NECESSARY CONTRIBUTION TO A NEW INTERNATIONAL DEVELOPMENT STRATEGY FOR THE THIRD UNITED NATIONS DEVELOPMENT DECADE (Agenda item 8)

Document submitted by the People's Republic of Bulgaria, the Byelorussian Soviet Socialist Republic, the Republic of Cuba, the Czechoslovak Socialist Republic, the German Democratic Republic, the Hungarian People's Republic, the Mongolian People's Republic, the Polish People's Republic, the Ukrainian Soviet Socialist Republic, the Union of Soviet Socialist Republics, and the Socialist Republic of Viet Nam.

[TD/249]

B. PROTECTIONISM: TRENDS AND SHORT-TERM AND LONG-TERM POLICIES AND ACTIONS NEEDED TO DEAL WITH THE PROBLEMS (Agenda item 9 (a))

Document submitted by the Byelorussian Soviet Socialist Republic, the People's Republic of Bulgaria, the Czechoslovak Socialist Republic, the German Democratic Republic, the Hungarian People's Republic, the Mongolian People's Republic, the Polish People's Republic, the Ukrainian Soviet Socialist Republic, and the Union of Soviet Socialist Republics.

[TD/257]

C. COMMODITIES: INTEGRATED PROGRAMME FOR COMMODITIES (Agenda item 10 (a))

Considerations of socialist countries on the implementation of the Integrated Programme for Commodities

Document submitted by the People's Republic of Bulgaria, the Byelorussian Soviet Socialist Republic, the Czechoslovak Socialist Republic, the German Democratic Republic, the Hungarian People's Republic, the Mongolian People's Republic, the Polish People's Republic, the Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics.

[TD/259 and Corr.1]

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a/ The texts not reproduced in the present version of this annex will appear in the printed Proceedings of the Conference.

Role of transnational corporations in the commodity trade of the developing countries

Document submitted by the People's Republic of Bulgaria, the Byelorussian Soviet Socialist Republic, the Czechoslovak Socialist Republic, the German Democratic Republic, the Hungarian People's Republic, the Mongolian People's Republic, the People's Republic of Poland, the Ukrainian Soviet Socialist Republic, and the Union of Soviet Socialist Republics.

[TD/261]

D. REVIEW AND EVALUATION OF THE GENERALIZED SYSTEM OF PREFERENCES
(Agenda item 11 (c))

Joint statement by the People's Republic of Bulgaria, the Czechoslovak Socialist Republic, the Hungarian People's Republic, the Polish People's Republic and the Union of Soviet Socialist Republics on the elaboration of unified rules for determining the origin of goods from the developing countries.

[TD/260]

E. REVIEW OF THE IMPLEMENTATION OF CONFERENCE RESOLUTION 97 (IV)
(Agenda item 11 (d))

Transnational corporations and expansion of trade in manufactures and semi-manufactures

Document submitted by the People's Republic of Bulgaria, the Byelorussian Soviet Socialist Republic, the Czechoslovak Socialist Republic, the German Democratic Republic, the Hungarian People's Republic, the Mongolian People's Republic, the Polish People's Republic, the Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics.

[TD/262 and Corr.1]

F. MEASURES TO AUGMENT THE NET FLOW AND IMPROVE THE CONDITIONS OF RESOURCE TRANSFERS TO THE DEVELOPING COUNTRIES
(Agenda item 12 (b))

The negative consequences of the activities of foreign private capital in the developing countries

Document submitted by the People's Republic of Bulgaria, the Byelorussian Soviet Socialist Republic, the Czechoslovak Socialist Republic, the German Democratic Republic, the Hungarian People's Republic, the Mongolian People's Republic, the Polish People's Republic, the Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics.

[TD/266]

Flow of private capital: the outflow of financial resources from developing countries as the result of the activities of foreign private capital b/

Draft resolution submitted by the People's Republic of Bulgaria, the Byelorussian Soviet Socialist Republic, the Czechoslovak Socialist Republic, the German Democratic Republic, the Hungarian People's Republic, the Mongolian People's Republic, the Polish People's Republic, the Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics.

Recalling Conference resolution 56 (III) of 19 May 1972,

Noting the influence of the outflow of financial resources on developing countries' efforts to develop their economies, and bearing in mind the link between trade, finances and monetary issues,

Recognizing the competence of the United Nations Conference on Trade and Development to evaluate the extent of the outflow of resources from developing countries in the form of profits, dividends and interest on foreign private investment and private loans,

1. Requests the Secretary-General of UNCTAD to prepare a study of the questions of the outflow of financial resources from developing countries in the form of profits, dividends and interest on foreign private investment and private loans and to submit that study to the Trade and Development Board at its twentieth session;

2. Recommends that the Trade and Development Board should convene a group of government experts to study the financial consequences of the activities of foreign private capital in developing countries and possible ways and means of reducing the drain of financial resources from developing countries in the form of profits, dividends and interest on foreign private investment and private loans.

G. PARTICIPATION OF DEVELOPING COUNTRIES IN WORLD SHIPPING AND THE DEVELOPMENT OF THEIR MERCHANT MARINES
(Agenda item 14 (b))

Statement submitted by the People's Republic of Bulgaria, the Byelorussian Soviet Socialist Republic, the Czechoslovak Socialist Republic, the German Democratic Republic, the Hungarian People's Republic, the Mongolian People's Republic, the Polish People's Republic, the Ukrainian Soviet Socialist Republic, and the Union of Soviet Socialist Republics.

[TD/267]

H. LEAST DEVELOPED AMONG DEVELOPING COUNTRIES
(Agenda item 15)

Statement submitted by the delegations of the People's Republic of Bulgaria, the Byelorussian Soviet Socialist Republic, the Czechoslovak Socialist Republic, the German Democratic Republic, the Hungarian People's Republic, the People's Republic of Poland, the Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics.

[TD/264 and Corr.1]

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b/ This draft resolution was circulated at the Conference to Negotiating Group IV in a conference room paper (TD(V)/NG.IV/CRP.7). See part two, para. 152.

ANNEX VIII

STATEMENTS ON SUGAR a/

A. STATEMENT ON SUGAR BY CUBA ON BEHALF OF THE STATES MEMBERS OF THE GROUP OF 77 b/

The International Sugar Agreement of 1977 was negotiated under the auspices of UNCTAD pursuant to resolution 93 (IV). Nevertheless, it has so far been impossible to achieve its fundamental objectives. The prevailing world market prices are very far from the minimum price levels indicated in the said Agreement. This situation is detrimental to all the exporting countries, but more especially to the developing countries, which are highly dependent on exports of sugar.

The most serious problem which faces the Agreement is the lack of participation by the European Economic Community. We have heard various representatives of the member countries of the Community state at this Conference that they support the conclusion of commodity agreements. These statements are in clear contradiction with their attitude towards the Sugar Agreement and with their sales policy based on heavy subsidization in the world sugar market.

Far from restricting its exports since the negotiation of the Agreement, the Community has increased them considerably through subsidized sales, bringing market prices down at a time when the exporting Members, and particularly the developing countries, are subjecting themselves to strict market discipline. EEC exports rose from an average of 295,000 tonnes in 1971-1975 to more than three million tonnes in 1978. We think there is no justification of any kind for this increase. If the Community really wishes to demonstrate that it is sincere in its support for commodity agreements and for the Integrated Programme, we urge it to do so by deeds, not words. Only if it participates effectively in the Sugar Agreement will it be recognized as possessing a genuine desire for international co-operation in the field of commodities.

Like all such agreements, the Sugar Agreement was the result of a delicate negotiating process. The exporting Members have complied with their obligations, limited their exports and accumulated special stocks in accordance with the requirements of the Agreement, despite the fact that article 51, which provides for financial assistance in the maintenance of such stocks through contributions from both sides, has not yet come into force. The fact that this mechanism is not yet being applied imposes a heavy sacrifice on the exporting countries by destroying the balance of rights and obligations which they accepted in the 1977 negotiations.

This requirement is not applied because the principal importing Member - the United States of America - has not yet completed the process of ratifying the Agreement. It is essential that this country should demonstrate its effective support for the Agreement by ratifying it. We know that the United States is in the process of defining its own sugar policy, and cannot refrain from expressing our concern at the nature of the bills under consideration, which are essentially protectionist in that they increase the already exorbitant tariffs and surcharges even further. Moreover, the delay in ratification has a psychological effect on the effectiveness and prospects of the Agreement.

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a/ See part two, above, paragraphs 75-76.

b/ Circulated at the Conference in TD/L.177.

B. STATEMENT MADE AT THE 171ST MEETING BY THE REPRESENTATIVE OF FRANCE ON BEHALF OF THE STATES MEMBERS OF THE EUROPEAN ECONOMIC COMMUNITY

Our attention has just been drawn to the statement on sugar submitted by Cuba on behalf of the Group of 77 (TD/L.177) charging the EEC with the responsibility for the serious situation of the sugar market.

On behalf of the EEC, I am obliged to respond to these allegations and shall do so briefly.

1. The EEC participated in the United Nations Sugar Conference of 1977. At that time, it formulated new proposals setting aside the quota system, which could not solve the problems of the market. It also proposed a more realistic price range than the one which was adopted.

Nevertheless, since these suggestions were not taken into consideration, EEC offered, in conformity with its internal regulations, which include limitations on any excessive expansion of production, to enter into commitments equivalent to those taken by the members of the Agreement.

This offer was renewed in December 1978 in the International Sugar Organization but was not discussed.

2. The Community is not responsible for the decline in world prices. The restitutions it grants are calculated in terms of the market price.

3. The Cuban statement neglected to say that EEC has undertaken to import every year, in application of the Lomé Convention, 1,400,000 tonnes of sugar from the countries of Africa, the Caribbean and the Pacific associated with the EEC, and at a price level equivalent to the EEC intervention price. While some may feel that these prices are too high and uneconomical, I am convinced that these developing countries, which are thereby assured outlets for their production at a very satisfactory price, do not share that opinion.

ANNEX IX

REPORT OF THE CREDENTIALS COMMITTEE a/

[TD/265]

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a/ The text of this report will be reproduced in the printed Proceedings of the Conference. See part one above, section A, resolution 133 (V), and part three, section F.

ANNEX X

FINANCIAL IMPLICATIONS OF THE ACTIONS OF THE CONFERENCE AT ITS FIFTH SESSION a/

1. Financial Regulation 13.1 of the United Nations determines that no Council, Commission or other competent body shall take a decision involving either an administrative change in a programme approved by the General Assembly or the possible requirement of expenditure unless it has received and taken account of a report from the Secretary-General on the administrative and financial implications of the proposal. The United Nations Conference on Trade and Development has accordingly been provided with a statement of administrative and financial implications for each draft resolution where such implications arise. These are summarized in appendix 1. The detailed statements are reproduced in appendix 2.

2. Statements of administrative and financial implications have been submitted for each resolution and decision calling for new activities or an intensification of existing ones, and those concerned with the convening of meetings not previously scheduled or called for under existing mandates. The statements submitted comprise full direct costs to the UNCTAD secretariat of the relevant work item and the estimates contained therein and are therefore not necessarily in addition to existing resources: the estimates for meetings include direct costs of meeting services based on established standard costs.

3. Following the conclusion of the Conference the full impact of all its resolutions and decisions will be reviewed in total by the UNCTAD secretariat and will be reflected in the proposed biennial programme budget for 1980-81 to be submitted to the thirty-fourth session of the General Assembly. In preparing his programme budget proposals for 1980-81 for submission to the Secretary-General of the United Nations, the Secretary-General of UNCTAD will relate the new mandates given to him by the Conference as well as ongoing activities to existing resources. The Secretary-General of the United Nations will then determine, after consultation with the Secretary-General of UNCTAD, to what extent additional resources would be requested from the General Assembly.

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a/ Substance of document TD/L.193.

Appendix 1

SUMMARY OF FINANCIAL IMPLICATIONS

Agenda item	Section of appendix 2 containing detailed statement	Resolution or decision	Title	UNCTAD secretariat expenses ($ per year)	Conference servicing costs ($)	Other ($)	Total ($)
13 (d)	A	102 (V)	Development aspects of the reverse transfer of technology	91 400	-	-	91 400
11 (b)	B	103 (V)	Restrictive business practices	617 000	-	-	617 000
14 (a)	C	106 (V)	Developments pertaining to the Convention on a Code of Conduct for Liner Conferences	71,400	-	-	71.400
13 (c)	D	112 (V)	Strengthening the technological capacity of developing countries including accelerating their technological transformation	1 383 400	36 000	-	1 424 400
13 (a)	E	113 (V)	International Code of Conduct on the Transfer of Technology	-	46 000	-	46 000
19	F	114 (V)	Institutional issues	-	65 000	-	65 000
19	G	115 (V)	Use of the Arabic language	28 500	3 392 000*/	-	3 420 500

*/ Indicative estimate

Appendix 1 (contd.)

Agenda item	Section of appendix 2 containing detailed statement	Resolution or decision	Title	UNCTAD secretariat expenses ($ per year)	Conference servicing costs ($)	Other ($)	Total ($)
14 (b)	H	120 (V)	Participation of developing countries in world shipping and the development of their merchant marines	76 400	213 000	-	289 400
14 (b)	I	121 (V)	Ship financing and technical assistance	206 500	-	-	206 500
15	J	122 (V)	Comprehensive New Programme of Action for the Least Developed Countries	1 196 000	-	-	1 196 000
10 (a)	K	124 (V)	Integrated Programme for Commodities	1 792 000	4 566 000	(2 500 000)	6 758 000
13 (a)	L	125 (V)	Complementary facility for commodity-related shortfalls in export earnings	30 000	-	-	30 000
18	M	127 (V)	Economic co-operation among developing countries	1 119 300	382 000	-	1 501 300
12 (a)	N	128 (V)	International monetary reform	77 000	-	-	77 000
9 (a)	O	131 (V)	Protectionism and structural change	615 400	-	-	615 400

Appendix 2

DETAILED STATEMENTS OF FINANCIAL IMPLICATIONS

A. Resolution 152 (V) - Development gains of the reverse transfer of technology

1. The resolution on development aspects of the reverse transfer of technology calls for a number of studies by the UNCTAD secretariat under paragraph 7; at the same time it is expected that UNCTAD would be involved in work to be done within the framework of the United Nations system under paragraphs 5, 6, 9 and 10.

2. It is estimated that the full direct cost of the work called for from the UNCTAD secretariat under this resolution at this stage would amount to $21,400 i.e., 12 work months of staff time at the P.4 level costing $61,[illegible] plus 6 work months of consultant services estimated at $3[illegible]. Consultant services would be required in particular for studies on the experiences and policies of individual countries as called for under paragraph 7(a) of the resolution as well as studies called for under paragraph 7(c) thereof.

B. Resolution 153 (V) - Restrictive business practices [a/]

1. Under paragraph 2 of the resolution on restrictive business practices, a decision is taken to hold the United Nations Conference on Restrictive Business Practices in the last quarter of 1979. When the General Assembly decided, in resolution 33/153, to convene the Conference, it took note of the related statement of financial implications amounting to $521,[illegible].

2. Paragraphs 4 to 8 of the resolution call for specific action including intensification of UNCTAD's work in the area of restrictive business practices. The financial implications of the related work programme in terms of full direct cost, including existing resources, for substantive work is estimated to amount to $617,[illegible], as outlined below.

3. The work for collection and dissemination of information on restrictive business practices called for under paragraph 4 (a) of the resolution is estimated to require 24 work months of professional staff time per annum at the P-3/4 level, costing $112,3[illegible].

4. The work connected with the elaboration of a model law or laws on restrictive business practices called for in para. 4(b) of the resolution would continue to require 12 work months of professional staff time per annum at the P-4 level, costing $61,4[illegible].

5. It is estimated that the programmes and substantive back-stopping of technical co-operation programmes and projects envisaged under paragraph 5 of the resolution would require 6 work months of professional staff at the P-3 level, costing $25,5[illegible].

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a/ Substance of document TD/L.155/Add.1

b/ Substance of document TD/L.157/Add.1 and Corr.1

6. It is anticipated that work connected with the principles and rules on restrictive business practices and the related servicing of institutional machinery that might be recommended by the United Nations Conference on Restrictive Business Practices through the General Assembly to the Trade and Development Board in accordance with paragraph 7 of the resolution would continue to require 24 months of professional staff time per annum at the P-4/5 level, costing $132,000.

7. Paragraph 8 of the resolution requests the Secretary-General of UNCTAD to undertake studies in the field of restrictive business practices concerning, especially, marketing and distribution arrangements and exclusive dealing arrangements. It is estimated that this work would require 10 months of professional staff time per annum at the P-3/4 level, costing $86,800.

8. A total of seven professional staff costing $418,900 is therefore estimated to be required to carry out the work programme called for under the resolution. The necessary complement for secretarial, clerical and typing work would be three general service posts costing $90,100. Computer services (hard and soft ware) will be required, in particular in connection with work under paragraph 4(a) of the draft resolution, estimated to cost $20,000. The cost of staff travel under this work programme is estimated to be $20,000 per annum. In addition some 12 work months of consultant services costing $60,000 would be required in particular for work under paragraphs 4 and 8 of the resolution concerning analysis of developments relating to restrictive business practices in specific countries or regions.

Accordingly, the total direct cost per annum of substantive work on restrictive business practices can be summarized as follows:

(i)	7 professional staff	$418,900
(ii)	3 general service staff	90,100
(iii)	Computer services	20,000
(iv)	Staff travel	20,000
(v)	12 work months of consultants	60,000
		$617,000

C. Resolution 106 (V) - Developments pertaining to the Convention on a Code of Conduct for Liner Conferences c/

1. Paragraphs 7 and 8 of the resolution request the Secretary-General of UNCTAD to review and update previous studies and review and analyse the implementation of the Code and report periodically on progress thereon to the Committee on Shipping. Paragraph 6 of the resolution requests the Secretary-General of UNCTAD to give guidance and assistance, on request, to governments of developing countries in putting the Code into effect.

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c/ Substance of document TD/L.163/Add.1

2. It is estimated that the full direct cost of substantive work called for under this resolution would amount to $71,400 per annum, i.e. 12 work-months per annum of professional staff time at the P.4 level and $10,000 of staff travel. This estimate includes staff time required for programming and substantive back-stopping for technical assistance called for in paragraph 6 of the resolution.

D. Resolution 112 (V) - Strengthening the technological capacity of developing countries including accelerating their technological transformation d/

1. This resolution establishes a framework for a comprehensive approach to technology questions which calls for co-ordinated action by developing and developed countries and the international community and is bound to require the active participation of the UNCTAD secretariat, as expressed in section II of the resolution.

2. Paragraph 23 of the resolution requests the Secretary-General of UNCTAD, in consultation with other relevant United Nations organizations, to prepare, compile and complete studies on the technological problems in several sectors with a view to examing the main issues related to transfer and development of technology in the areas covered by these studies. The secretariat estimates that in order to meet the requirements of the work on specific sectors or areas it would need to devote to it (including existing resources) 60 work-months of professional staff time per annum at the P.3 to P.5 level, costing $296,200. The General Service complement for statistical, clerical and secretarial work, corresponding to 3 General Service posts, is estimated to cost $91,800 per annum. The amount required for staff travel is estimated to be $20,000 per annum. The requirements for computer services (hardware and software) are estimated to cost $30,000 per annum. Eighteen work-months of consultants' services per annum, costing $90,000, would be required to prepare analysis for which specialized expertise is not available within the secretariat. Accordingly, the total direct cost for substantive input required under this work item is estimated to be $528,000.

3. Paragraph 24 of the resolution requests the Secretary-General of UNCTAD, in co-operation with UNIDO and other relevant United Nations bodies, to organize and convene, between the fifth and sixth sessions of the Conference, up to three meetings of experts on food processing, energy, capital goods and industrial machinery. Those meetings are subject to approval by the Trade and Development Board. It is estimated that up to 20 experts acting in their individual, personal capacity would be convened in Geneva for one and a half weeks on each of the sectors mentioned. The expenses for travel and per diem payable by the United Nations to those experts are estimated to amount to $40,000. It is anticipated that conference services would be required for three languages, that the group would need one conference room, 80 pages of pre-session and 20 pages of post-session documents. On this basis the direct conference servicing costs for each meeting would amount to $36,000. Accordingly the total direct cost for one meeting would amount to $76,000.

4. Paragraphs 26 and 27 request the Secretary-General of UNCTAD to undertake, in co-operation with other relevant United Nations agencies, a series of new studies. It is estimated that the work connected with those studies would require 12 work-months of professional staff time at the P.4 level, costing $61,400 per annum. Requirements for staff travel are estimated to be $10,000 per annum. It is further planned that use would need to be made of computer services, at the estimated cost of $15,000 per annum. Ten work-months per annum of consultants, costing $50,000, would be required in particular for studies related to selected countries. Accordingly, the total direct cost of substantive input under this work item is estimated at $136,400 per annum.

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d/ Substance of document TD/L.172/Add.1

5. Paragraph 28 requests the Secretary-General of UNCTAD to report on the implementation of Conference resolution 87 (IV) and the present resolution based on information to be collected from governments. It is estimated that the direct cost of substantive work connected with this task would require 6 work-months per annum of professional staff time at the P.3 level, costing $25,500.

6. Paragraph 32 of the resolution agrees that it is necessary for the Advisory Service on Transfer of Technology to be provided with sufficient resources to enable it to perform its functions effectively within its mandate, having regard to increasing requirements of developing countries. It is considered that seven established professional posts (including existing ones) at the P.3 to P.5 level, costing $490,400 per annum, would be available for advisory services. The staff is expected to assist, upon request, countries and regions inter alia through preparatory missions with the formulation of programmes and projects and provide substantive support to ongoing technical co-operation activities. This requires also extensive travel in the field, estimated to amount to $70,000 per annum. The related requirements for the General General Service staff are estimated to cost $98,100 per annum, i.e. three established General Service posts. Accordingly, the total direct cost of the Advisory Services is estimated to be $658,500.

7. The summary of total cost estimates for all work items addressed in this statement of financial implications amounts to $1,424,400.

E. Decision 113 (V) - International Code of Conduct on the Transfer of Technology e/

1. The decision requests the Secretary-General of UNCTAD to take the necessary measures for convening, in the last quarter of 1979, a resumed session of the United Nations Conference in order to conclude the elaboration of an international code of conduct on the transfer of technology. When the General Assembly, in resolution 33/157, decided to convene the Conference it took note of the related statement of the financial implications amounting to $778,000.

2. The same decision further recommends the convening of a meeting in preparation of the United Nations Conference. It is assumed that this preparatory meeting would be convened in Geneva for one week and would require one conference room, one full team of interpreters and altogether 30 pages of documentation. On this basis the cost of this preparatory meeting is estimated to amount to $46,000.

F. Resolution 114 (V) - Institutional issues f/

1. The resolution decides to establish an ad hoc intergovernmental committee of limited duration on the rationalization of UNCTAD's machinery whose final report would be submitted to the Trade and Development Board at the second part of its nineteenth session.

2. On the assumption that the ad hoc intergovernmental committee would meet for one and a half weeks in Geneva, would require one conference room, interpretation in six languages and altogether 40 pages of documentation, the cost of such a meeting is estimated to be $65,000.

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e/ Substance of document TD/L.173/Add.1

f/ Substance of document TD/L.174/Add.1

G. Resolution 115 (V) - Use of the Arabic language g/

1. Paragraph 1 of the resolution recommends to the General Assembly at its thirty-fourth session that it take the necessary steps to ensure that Arabic will have full capacity as an official and working language of UNCTAD with respect to both interpretation and translation facilities and thus be on a par with the other official and working languages of UNCTAD with effect from 1 January 1980.

2. In the absence of the necessary details concerning sections of the United Nations budget other than the UNCTAD section, and due to the fact that standard costs cannot be used in this instance, the following general information is provided to the Conference.

3. In connexion with the adoption of Conference resolution 86 (IV) concerning the use of the Arabic language in his report to the first part of the sixteenth session of the Trade and Development Board in October 1976 on the financial implications of resolutions adopted at the fourth session of the Conference, the Secretary-General of UNCTAD included a cost estimate on Conference resolution 86 (IV) regarding the use of Arabic as an official and working language of UNCTAD. The estimate for 1978-79 of direct Conference servicing cost based on the standard costs and exchange rates applicable at that time amounted to $3,392,000. This amount included only staff costs for Arabic interpretation, translation, typing and reproduction.

4. The Secretary-General of the United Nations will submit to the General Assembly at its thirty-fourth session detailed cost estimates and administrative implications regarding the implementation of this resolution that would cover such items as requirements for conference rooms, office space, general services and general operating expenses of the United Nations Office at Geneva, as well as a time-table for the full implementation of the resolution.

5. The direct staff cost for the UNCTAD secretariat would be $28,500, i.e. one post of Arabic typist to be attached to the UNCTAD Correspondence Unit.

H. Resolution 120 (V) - Participation of developing countries in world shipping and the development of their merchant marines h/

1. Paragraph 45 (c) of the resolution requests the Secretary-General of UNCTAD to call a meeting of interested governments on bulk cargo. It is assumed that the meeting would be convened in Geneva for one week, would require two conference rooms, one and a half teams of interpreters in six languages, 50 pages of pre-session, 50 pages of in-session and 30 pages of post-session documentation. On this basis the direct meeting servicing costs are estimated to amount to $110,000.

2. Paragraph 11 requests the Secretary-General of UNCTAD to reconvene the Ad hoc Intergovernmental Working Group. It is assumed that the Intergovernmental Working Group would meet in Geneva in 1980 for one and a half weeks and would require one conference room, one team of interpreters in six languages, 100 pages of pre-session and 20 pages of post-session documents. On this basis the direct meeting servicing costs are estimated to be $103,000.

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g/ Substance of document TD/L.171/Add.1

h/ Substance of document TD(V)/CG/CRP.1/Add.1

3. Paragraph 7 requests the UNCTAD secretariat to undertake in-depth studies on trade and maritime transport of refrigerated cargo, and paragraph 8(b) requests the UNCTAD secretariat to carry out, in co-operation with ICAO, appropriate studies on air cargo movements in the context of multimodal transport. It is estimated that these new studies would require 12 work-months of professional staff time at the P.4 level, costing $61,400 per annum. The requirements for consultants' services of three work-months would amount to $15,000 per annum. Accordingly, the total direct cost of substantive work connected with these new studies is estimated to be $76,400 per annum.

I. Resolution 121 (V) - Ship financing and technical assistance 1/

1. Paragraph 5 of the resolution requests the UNCTAD secretariat to establish an ad hoc unit within UNCTAD to assist developing countries with feasibility studies for ship acquisition.

2. It is estimated that the full direct cost of the ad hoc unit would amount to $206,500 per annum, as follows:

24 work-months per annum, at P.5 level, for experts in shipping and financing of maritime investments, costing:	$143,000
General service complement of one ad hoc post costing:	28,500 p.a.
Travel expenses for the team of experts, amounting to:	35,000 p.a.

J. Resolution 122 (V) - Comprehensive New Programme of Action for the Least Developed Countries 2/

1. In the resolution the Conference decides as one of its major priorities to launch a comprehensive and substantially expanded programme, with both immediate and longer-term phases, for the least developed countries. Paragraph 32 of the resolution calls upon the Secretary-General of UNCTAD to continue the detailed preparation of the Immediate Action Programme (1979-1981) and the Substantial New Programme of Action for the 1980s on behalf of the least developed countries. In accordance with paragraph 36 of the resolution, the Secretary-General of UNCTAD should continue and intensify the work programme of UNCTAD on behalf of the least developed countries as contained in Conference resolution 98 (IV), paragraph 37 (b) and, in preparation for the Substantial New Programme of Action for the 1980s, along the lines indicated in TD/B/AC.17/7, paragraph 52. In addition, in accordance with paragraph 37 of the resolution, further work should be undertaken by UNCTAD, with particular attention to the need for in-depth study of the circumstances of individual least developed countries in a number of specific areas. Finally, paragraph 40 of the resolution states that in order to effectively discharge its responsibilities in this area, and in recognition of the importance of these issues, the unit of UNCTAD dealing with the least developed among the developing countries should be adequately strengthened and the necessary additional resources made available.

1/ Substance of document TD(V)/CG/CRP.2/Add.1

2/ Substance of document TD/L.175/Add.1

2. The secretariat estimates that it should devote 144 work-months per annum of professional staff time at the levels of P.3 to D.1 to this programme for the least developed countries, costing $742,300. The required General Service complement for statistical, clerical and secretarial tasks consisting of eight posts would cost $253,200. Requirements for staff travel are estimated to be $100,000 per annum. Requirements for computer services are estimated to be $40,000 per annum. It would be planned to have recourse to consultants' services of 12 work-months at the cost of $60,000 per annum. The total direct cost of the substantive programme concerned would therefore amount to $1,196,000. This cost estimate does not include direct and indirect contributions from other divisions and programmes of UNCTAD which will be required in the course of implementation of the programme of action as envisaged in the resolution.

K. Resolution 124 (V) - Integrated Programme for Commodities[k/]

1. Paragraph 1 of section II of the resolution urges Governments to decide as soon as possible on the convening of negotiating conferences on individual commodities now in their preparatory phase and to accelerate the convening of preparatory meetings on the remaining commodities in the indicative list of resolution 93(IV). Paragraph 1 of section IV requests the Secretary-General of UNCTAD to establish the calendar of meetings under the Integrated Programme for Commodities and paragraph 4 of section IV requests the Secretary-General to make the necessary provisions in his biennial programme budget proposals to enable the secretariat to continue and intensify its support for the process of negotiations under the Integrated Programme for Commodities.

2. Section III of the resolution emphasizes the importance and urgency of other measures, in particular developmental aspects of commodity policy such as processing, and marketing and distribution of primary commodities included in the Integrated Programme, inter alia by requesting completion of studies to facilitate governmental consideration by the appropriate permanent machinery of UNCTAD, or by requesting the secretariat to submit a precise time-table through that machinery for the completion of studies.

3. Since the inception of the Integrated Programme for Commodities, the majority of resources of the Commodities Division and an important portion of the resources of the Conference Affairs Service have been geared towards preparation for and support of preparatory meetings and negotiations on the Common Fund and individual commodities. Should the negotiations for the establishment of the Common Fund be completed by the end of 1979 as anticipated in section I of the resolution, it is envisaged that staff resources of the Commodities Division so liberated would be used towards meeting requirements under section II of the resolution. The intensification of negotiations on individual commodities expected after completion of negotiations on the Common Fund and the urgency attached to it in section II of the resolution would absorb all resources hitherto devoted by the Conference Affairs Service to the negotiations on the Common Fund and resources of the Commodities Division devoted to studies for preparatory work on individual commodities. However, to the extent that significant progress is made in completing work on the negotiations of arrangements for individual commodities, it is anticipated that some resources of the Commodities Division hitherto devoted to this task could become available for meeting requirements under section III of the resolution, i.e. studies on other measures included in the Integrated Programme for Commodities.

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k/ Substance of document TD(V)/CG/CRP.8/Add.1.

4. It is therefore estimated that the secretariat's work programme as adjusted by the progress in negotiations and directed by the resolution could be implemented at a reasonable pace with the resources presently available to the secretariat both in the form of regular and as ad hoc resources. Accordingly, and in keeping with paragraph 3 of section IV of the resolution, the extension of the ad hoc resources through the next biennium 1980-1981 would be required on the same level as granted for the years 1977 to 1979 at the cost of $1,792,000 per annum, as follows:

(i)	Salaries and common staff costs for 16 professional staff at the average level of P.5	1,144,000
	10 general service staff	348,000
(ii)	40 work-months of Consultants	200,000
(iii)	Travel of staff	100,000
	Total:	1,792,000

5. Three of the professional and three of the general service ad hoc posts would continue to be allocated to the Conference Affairs Service. Of the professional ad hoc posts allocated to the Commodities Division one would be deployed to the E.D.P. Unit to take care of the increased need for data processing for the commodities programme.

6. The requirements for direct conference servicing under the Integrated Programme for Commodities, as may be derived from the resolution based on the assumption that negotiations on the Common Fund are completed by the end of 1979, are anticipated to continue in 1980/1981 roughly at the level of 1977 through to 1979 and are estimated to cost $4,950,000 annually, based on the following assumptions:

(1)	Ad hoc Intergovernmental Committee for the Integrated Programme: 2 weeks of meetings p.a. requiring 4 conference rooms, 2 teams of interpreters, 100 pages of pre, 60 pages of post and 100 pages of in-session documentation	258,000
(2)	Preparatory meetings for individual commodities: 20 weeks of 1 week each requiring 2 conference rooms 1 1/2 teams of interpreters, 50 pages of pre, 30 pages of post and 20 pages in session documents each meeting, i.e. $95,000 per meeting x 20 meetings	1,900,000
(3)	Negotiating conferences on individual commodities: 6 conferences at 4 weeks each requiring 3 conference rooms, 2 1/2 teams of interpreters, 50 pages of pre, 80 pages of post and 200 pages of in-session documentation each Conference, i.e. $468,000 per conference x 6 conferences	2,808,000
	Accordingly, the total annual cost estimate for direct conference servicing of meetings under the Integrated Programme for Commodities amounts to:	$4,966,000

The calculations are based on Geneva as conference venue and provide for interpretation and documentation in 6 languages; they are applied to both years of the biennium 1980-1981 based on the above annual average and on the understanding that provisions for the preparatory meetings and negotiating conferences are interchangeable. According to the present arrangements, meeting services under the Integrated Programme for Commodities form part of the total conference requirements of the United Nations Office at Geneva, provided under section 23 B of the United Nations Budget.

I. Resolution 125 (V) - Complementary facility for commodity-related shortfalls in export earnings[1/]

The resolution requests the Secretary-General of UNCTAD to prepare a detailed study for the operation of a complementary facility to compensate for shortfalls in earnings of each commodity.

It is estimated that the preparation of that study would require six work months of consultancy services costing $30,000.

II. Resolution 127 (V) - Economic co-operation among developing countries[2/]

1. The resolution considers that UNCTAD should play, within its competence, a significant support role in economic co-operation among developing countries. Paragraph 9 of the resolution expresses agreement that within the framework of its mandate and in the light of its key role in economic co-operation among developing countries within the United Nations system, UNCTAD's support activities for economic co-operation among developing countries should be improved and intensified. Paragraph 14 of the resolution agrees that UNCTAD's work programme on economic co-operation among developing countries should take due account of the relevant recommendations and decisions of the fourth Ministerial Meeting of the Group of 77 held in Arusha in February 1979 and requests the Committee on Economic Co-operation among Developing Countries at its special session to take appropriate action stemming therefrom and facilitate the implementation of those recommendations and decisions.

2. Paragraph 12 of the resolution decides to convene a special session of the Committee on Economic Co-operation among Developing Countries early in 1980. It is estimated that the special session would be convened in Geneva for up to two weeks duration and should be provided with the usual services, i.e. two and a half terms of interpreters for six languages, four conference rooms, 100 pages of pre-session, 100 pages of in-session and 50 pages of post-session documentation. On this basis the cost of the special session is estimated to be $280,000.

3. Paragraph 13 of the resolution requests the Secretary-General of UNCTAD to take the measures that would enable the regional groups, particularly the developing countries, to prepare for the special session. To this end, in view of the nature and importance of economic co-operation among developing countries, the Secretary-General of UNCTAD should provide the necessary technical support, conference and secretariat services for the holding of UNCTAD Headquarters in the four months preceding the special session of three preparatory meetings of government experts of developing countries. It is estimated that each of the three meetings, which would be held in Geneva for the duration of one week, would require one conference room, one team of interpreters in four languages and altogether 40 pages of documentation. On this basis the cost of one meeting is estimated to be $34,000, i.e. the cost for three meetings would amount to $102,000.

1/ Substance of document TD/L.194/Add.1

2/ Substance of document TD/L.182/Add.1

(d) Monetary and financial co-operation among developing countries has been enumerated as one of the priority areas in paragraph 16(d). It is estimated that the requirements for substantive work connected with this work item are as follows:

	$ U.S.
30 work-months of professional staff time at the P.3/P.4 level, costing:	150,400
General Service complement of two posts for statistical and secretarial tasks, costing:	63,300
Staff travel:	15,000
3 work-months of consultants' services:	15,000
Total:	243,700

5. The summary of the total cost estimates for all work items enumerated in this statement amounts to $1,501,300.

N. Resolution 128 (V) - International monetary reform[1]

The resolution in paragraph 11, decides to establish within UNCTAD an ad hoc intergovernmental high-level group of experts to examine fundamental issues in this area. On the assumption that the group of experts would meet in Geneva for a period of ten days, would require one conference room, one team of interpreters in six languages and altogether 70 pages of documentation, the direct conference cost of that group meeting is estimated to be $77,000

O. Resolution 131 (V) - Protectionism and structural adjustment[2]

1. In paragraph 1 of the resolution a decision is taken to follow closely the evolution of the patterns of production and trade in the world with full participation of the developing countries. In paragraph 2 a decision is made to entrust the Trade and Development Board to organize in an appropriate existing body an annual review of the patterns of production and trade in the world economy. Such reviews should take into consideration relevant available information including general policies in order to provide a comprehensive factual and analytical background of global trends of production, imports and exports, with a view to identifying elements or problems most relevant, in the light of the dynamics of comparative advantage, to the attainment of optimum overall economic growth including the development and diversification of the economies of developing countries, and an effective international division of labour.

1/ Substance of document TD/L.184/Add.1

2/ Substance of document TD/L.188/Add.1.

4. Paragraph 16 of the resolution requests the UNCTAD secretariat to intensify and complete its ongoing activities related to those priority areas enumerated therein and which are contained in resolution 1(1) of the Committee on Economic Co-operation among Developing countries and submit action-oriented proposals based on the Arusha Programme related to these priority areas whenever necessary, for consideration of the Committee on Economic Co-operation among Developing Countries.

(a) The direct cost of substantive work connected with the elaboration, operation and maintenance of a trade information system referred to in paragraph 16(a) is estimated as follows:

	$ p.a.
24 work months of professional staff time at the P.3/P.4 level, costing:	112,300
General Service complement of two posts for statistical and secretarial tasks, costing:	57,000
Computer services:	20,000
Staff travel:	5,000
Total:	$194,300

(b) It is anticipated that the work programme concerned with the generalized system of trade preferences would need intensification in the overall context of paragraph 16. Accordingly, the requirement of this programme item in terms of direct cost of substantive input are estimated as follows:

	$ p.a.
36 work-months of professional staff time at the P.3/P.4 level, costing:	173,700
General Service complement of one post:	34,800
Staff travel:	10,000
Total:	$218,500

(c) Paragraphs 16(c), (e) and (f) require re-orientation and intensification of work connected with multinational marketing and multi-national production enterprises. It is estimated that this programme item will require inputs of substantive work as follows:

	$ p.a.
60 work-months of professional staff time at the P.2/P.5 level, costing:	286,700
General Service complement of three posts for statistical, clerical and secretarial tasks, costing:	98,100
Computer services:	10,000
Staff travel:	30,000
Consultants' services of six work-months:	30,000
Total:	$454,800

2. The work called for in the resolution would require a consolidation and intensification of the ongoing work in related areas, as well as new activities which, together, would constitute a new major programme item. It is estimated that the direct cost of the substantive work for this major programme item would be as follows:

84 work-months of professional staff time at P-2/P-5 level, amounting to:	$398,800 p.a.
Computer services	50,000 p.a.
Travel of staff	15,000 p.a.
5 work-months of consultants' services	25,000 p.a.

Accordingly the total direct cost of substantive work on this major programme item would amount to $615,400.

ANNEX XI

CHECK LIST OF DOCUMENTS

A. GENERAL DOCUMENTS

Document No.	Title	Agenda item
TD/220 and Corr.1 (R)	Provisional agenda for the fifth session of the United Nations Conference on Trade and Development: note by the Secretary-General of UNCTAD	6
TD/220/Add.1	Annotations to the provisional agenda	6
TD/221 and Corr.1 (E & C)	Restructuring the international economic framework: report by the Secretary-General of UNCTAD to the Conference	8 to 19
TD/222	Merchant fleet development: report by the UNCTAD secretariat	14(b)
TD/222/Supp.1	Beneficial ownership of open-registry fleets: report by the UNCTAD secretariat	14(b)
TD/222/Supp.2	Merchant fleet development: statistical annexes on cargo flows - report by the UNCTAD secretariat	14(b)
TD/222/Supp.3	The maritime transport of hydrocarbons: report by the UNCTAD secretariat	14(b)
TD/222/Supp.4	Shipping: comparative labour costs - report by the UNCTAD secretariat	14(b)
TD/222/Supp.5	Trade routes of open registry vessels: report by the UNCTAD secretariat	14(b)
TD/222/Supp.6	Participation of developing countries in world shipping and the development of their merchant marines: review of trends 1977/78 - note by the UNCTAD secretariat	14(b)
TD/223	Status of the Convention on a Code of Conduct for Liner Conferences: report by the UNCTAD secretariat	14(a)
TD/224 and Corr.1 (E)	Evaluation of the world trade and economic situation and consideration of issues, policies and appropriate measures to facilitate structural changes in the international economy: report by the UNCTAD secretariat	8
TD/224/Add.1	Idem: addendum - annex: statistical tables	8
TD/225	Policy issues in the field of trade, finance and money, and their relationship to structural changes at the global level: report by the UNTAD secretariat	8

Document No.	Title	Agenda item
TD/226 and Corr.1 (C)	Implications for developing countries of the new protectionism in developed countries: report by the UNCTAD secretariat	9(a)
TD/227 and Corr.1 (E)	Multilateral trade negotiations: evaluation and further recommendations arising therefrom - report by the UNCTAD secretariat	9(b)
TD/227/Add.1	Idem: addendum - developments in international trade: report by the UNCTAD secretariat	9(b)
TD/228	Integrated Programme for Commodities: Review of implementation and follow-up action, including the on-going preparatory work and negotiations - report by the UNCTAD secretariat	10(a)
TD/228/Add.1	Idem: Addendum	10(a)
TD/229	Action on the export earnings stabilization and developmental aspects of commodity policy: report by the UNCTAD secretariat	10(a)
TD/229/Supp.1 and Corr.1	Compensatory financing: issues and proposals for further action - report by the UNCTAD secretariat	10(a)
TD/229/Supp.2 and Corr.1	The processing before export of primary commodities: Areas for further international co-operation - report by the UNCTAD secretariat	10(a)
TD/229/Supp.3 and Corr.1	Marketing and distribution of primary commodities: areas for further international co-operation - report by the UNCTAD secretariat	10(a)
TD/230	Comprehensive measures required to expand and diversify the export trade of developing countries in manufactures and semi-manufactures: report by the UNCTAD secretariat	11(a) and (d)
TD/230/Supp.1	The industrial policies of the developed market-economy countries and their effect on the exports of manufactures and semi-manufactures by the developing countries: report by the UNCTAD secretariat	11(a)
TD/231	Principles and rules and other issues relating to restrictive business practices: report by the UNCTAD secretariat	11(b)
TD/232 and Corr.1 (E & F) Corr.2 (A & R) Corr.3	Review and evaluation of the generalized system of preferences: report by the UNCTAD secretariat	11(c)
TD/233	International monetary issues: report by the UNCTAD secretariat	12(a)

Document No.	Title	Agenda Item
TD/234	International financial co-operation for development: Current policy issues - report by the UNCTAD secretariat	12(b) and (c)
TD/234/Add.1	Review of measures taken in pursuance of Board resolution 165 (S-IX): note by the UNCTAD secretariat	12(d)(i)
TD/234/Add.2-3	Replies to questionnaire on donor country debt relief measures	12(d)(i)
TD/235	Towards an effective system of international financial co-operation: report by the UNCTAD secretariat	12(e)
TD/236	Arusha Programme for Collective Self-Reliance and Framework for Negotiations: note by the Secretary-General of UNCTAD	8 to 19
TD/237	Technology: Restructuring the legal and juridical environment: issues under negotiation - report by the UNCTAD secretariat	13(a)-(b)
TD/237/Add.1	Idem: Addendum	13(a)
TD/238 and Corr.1 (E)	Towards the technological transformation of the developing countries: report by the UNCTAD secretariat	13(c)
TD/238/Supp.1	Technology planning in developing countries: study by the UNCTAD secretariat	13(c)
TD/238/Supp.2 and Corr.1	Advisory Service on Technology: report by the UNCTAD secretariat on its activities and future resource requirements	13(c)
TD/239	Technology: Development aspects of the reverse transfer of technology - study by the UNCTAD secretariat	13(d)
TD/240	Outline for a substantial new programme of action for the 1980s for the least developed countries: report by the Secretary-General of UNCTAD	15
TD/240/Supp.1	Basic data on the least developed countries: report by the UNCTAD secretariat	15
TD/241	Specific action related to the particular needs and problems of land-locked developing countries: issues for consideration - report by the UNCTAD secretariat	16(a)
TD/242	Specific action related to the particular needs and problems of island developing countries: issues for consideration - report by the UNCTAD secretariat	16(b)

Document No.	Title	Agenda item
TD/243 and Corr.1	Trade relations among countries having different economic and social systems: report by the UNCTAD secretariat	17
TD/243/Supp.1 and Corr.1	Statistical review of trade among countries having different economic and social systems: prepared by the UNCTAD secretariat	17
TD/243/Supp.2	Trade and economic relations between Latin American countries and countries members of the Council for Mutual Economic Assistance: study by the UCTAD secretariat	17
TD/243/Supp.3	The co-operation mechanism among countries having different economic and social systems: study by the UNCTAD secretariat	17
TD/243/Supp.4 and Corr.1	Co-operation in planning between socialist countries of Eastern Europe and developing countries: the experience of the USSR - report by the UNCTAD secretariat	17
TD/243/Supp.5 and Corr.1 (E)	Tripartite industrial co-operation and co-operation in third countries: study by the UNCTAD secretariat	17
TD/244	Economic co-operation among developing countries: Priority areas for action: issues and approaches - report by the UNCTAD secretariat	18
TD/244/Supp.1	Economic co-operation among developing countries: supplementary material and considerations relating to priority areas for action - report by the UNCTAD secretariat	18
TD/245 and Corr.1 (ERSA)	Measures to enable UNCTAD to carry out its role more effectively: report by the UNCTAD secretariat	19
TD/246	Report of the Trade and Development Board to the Conference: note by the UNCTAD secretariat	20
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TD/268	Report of the United Nations Conference on Trade and Development on its fifth session - Part one	
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B. LIMITED DOCUMENTS

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*/ These draft resolutions were circulated in conference room papers at the Conference, and issued in the TD/L... series after the close of the Conference.

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*/ These drafts were circulated in conference room papers at the Conference, and were issued in the TD/L... series after the close of the Conference.

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